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BEFORE THE

ENERGY RESOURCES CONSERVATION AND DEVELOPMENT

COMMISSION OF THE STATE OF CALIFORNIA

CALIFORNIA ENERGY COMMISSION

In the matter of,	)
	) Docket No. 16-OIR-02
	)
Senate Bill 350 Study on	)
Barriers to Low-Income	)
Customers to Renewable	)
Technologies and Energy	)
Efficiency Investment	)

ENERGY COMMISSION WORKSHOP REGARDING BARRIERS

OF LOW-INCOME AND DISADVANTAGED COMMUNITIES

TO ENERGY EFFICIENCY AND RENEWABLE ENERGY

CALIFORNIA ENERGY COMMISSION

FIRST FLOOR, ART ROSENFELD HEARING ROOM

1516 NINTH STREET

SACRAMENTO, CALIFORNIA

TUESDAY, SEPTEMBER 13, 2016

1:32 P.M.

Reported By:
Peter Petty

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P R O C E E D I N G S

SEPTEMBER 13, 2016 1:32 P.M.

MR. SOKOL: Thank you for joining us today for the SB 350 Barriers of Low-Income and Disadvantaged Communities to Renewable Energy and Energy Efficiency Workshop. This is a workshop to discuss the draft study that was just posted on Friday. We would really like to encourage public comment and participation as we move forward towards recommendations.

But just to get started, there are a couple of housekeeping items that we need to discuss. First off, for those that aren't familiar with this building here, there's a restroom located just outside the main doorway, across the hallway. And, there's a drinking fountain there, as well.

There is a snack bar up on the second floor. If you go up the stairs right here, it's directly back, through the glass doors.

And lastly, in the event of an emergency, if we do need to evacuate, please follow Energy Commission staff and we will leave calmly, and coolly through the appropriate exits, and reconvene at the park that's across the corner. Roosevelt Park that's across the way.

So, I would like to thank you all, again, for coming. And to get things started, we'll turn it over to the Chair and Commissioners for comments.

CHAIR WEISENMILLER: Okay. First, would you remind people when public comments are due?

MR. SOKOL: Yes. We will cover this again, later, in the slide. Public comments are due September 29th, at 4:00 p.m., and we'll be sure to highlight that.

CHAIR WEISENMILLER: Great. Thanks. And we're going to say that a couple times, but just get the message out that that's what -- we're looking for comments, because people have not had a lot of opportunities, today, to go through stuff. But, certainly, looking forward to more feedback and comments as we go forward.

So, I'm Bob Weisenmiller. I'm the Chair of the California Energy Commission. And, I appreciate everyone participating today.

Obviously, one of the things that we're doing, coming out of 350, is looking at the barriers for low-income consumers in terms of access to energy efficiency or renewables. Or, actually, the way I like to think about it is more -- framed better, as sort of how do we make sure all Californians have access to essential energy services, particularly clean and affordable ones, which energy efficiency and renewables are a way to do that. Obviously, there's other access, other tools, such as the CARE rates, to make sure people have those essential services. And, certainly, we're trying to broaden that. I think all of us know there's a series of -- we've had a very successful program in terms of getting energy efficiency and renewables to sort of -- our more innovative, early adapters tend to be fairly wealthy. And so, we're trying to really broaden the participation, and it's going to require a rethink. The type of things that might be barriers or opportunities for higher income, such as, basically, there's been phenomenal activities on the part of the solar industries, with leases and PPAs, frankly, only apply to credit-worthy people. And so, they're not a good tool for trying to really reach out to lower income.

And so, we really need to think outside the box in some of the areas. Obviously, one of the big barriers is many people don't own the roof over their heads. And we've been trying for 40 years, frankly, to come up with solutions for rented housing, looking out at Jeanne Clinton, in the audience. And we haven't been that successful, yet. And so, I'm not sure in four months we're going to come up with the grand solution there but, hopefully, we can make some progress.

So, again, really important topic. And,

certainly, the report out is relatively drafty, as things always are in the first draft. And I think going forward, you know, we're going to try to do a better job of boiling down the barriers, coming up with not just potential solutions, but with specific recommendations.

And, obviously, the recommendations will be in response to particular barriers. So that we'll end up with a -- again, I don't think we're going to solve everything this year, in this activity, but trying to move the needle. So, this is better, a better position going forward.

And, presumably, you know, we have an opportunity to go back through this in future years, and each time lay out a more complete action plan. And by looking at what works or doesn't work in the next couple of years, again, I think we'll make more progress.

So with that, let me turn to Commissioner Hochschild.

COMMISSIONER HOCHSCHILD: Thank you, Mr. Chairman. And, welcome to all of you. I've had the opportunity to participate in two of the SB 350 barriers meetings we've done around the State. One in Los Angeles and one in Oakland.

I just want to say how grateful I am for all the participation. It's actually been incredible, the ideas and participation. And I also want to thank our staff for organizing those.

I think this is the next great frontier of clean energy policy for this next chapter in our State's history. And I know it's certainly a priority for the Governor, and for the leadership in both Houses.

I think we've hit some home runs on, you know, DG renewables in general, but there's some missing pieces. And I think we'll be able to flesh that out in today's hearing and in the report, itself. Looking forward very much to collaborating with all the stakeholders here to chalk up some more wins for the State in this arena.

COMMISSIONER SCOTT: Well, thank you very much. I just want to say how pleased I am to be here, and to be part of our workshop today, in the process of putting together both the report, but having a chance to really get out into the community, and talk to folks, and kind of hear from the ground what is it that we need to do to really help bring low-income and disadvantaged communities into this renewable energy and energy efficiency revolution.

I want to thank our Legislature, actually, for really thinking this through, and putting this component into SB 350, because it's really important. And directing the Energy Commission to study the barriers, and think about solutions I think is a really nice -- will, hopefully, leave us with a really nice foundation for how to address those, and put solutions in place into the future, so that we really can bring all Californians, as I mentioned, into this renewable energy and energy efficiency revolution.

I wanted to say, also, welcome and thank you so much to Tom Doughty, from the California Independent System Operator, for joining us here. This is important to them, as well, as you can tell.

And let you all know that we're coordinating closely with the Air Resources Board, as they study the barriers on the transportation side. Because, bringing low-income and disadvantaged communities into the clean transportation revolution I think, also, is just as important as in renewables and energy efficiency. The entire clean energy revolution altogether.

And I'm very much looking forward to hearing feedback from everyone here in the room, and on the phone. And, if you can get notes out to others, who might want to provide feedback and information for us, we're really looking for great, constructive comments. And, especially on how we can best address the barriers, and then put in some solutions into place.

So, I'm delighted to be here this afternoon.

MR. EARLY: Good afternoon, everyone. I'm Brian Early. I am the Advisor to Commissioner Andrew McAllister, here at the CEC, who could not make it today, unfortunately.

But we wanted to, first and foremost, thank everyone who's been involved in this process, staff writing, stakeholders commenting. We're really excited about this draft and about the work that's going to happen in this workshop and over the coming weeks to flesh out, in more specificity, the recommendations we would like to put into the final study.

So, just thank everyone for their work, and really looking forward to working together.

MR. DOUGHTY: Mr. Chair, thanks much. Tom Doughty, with the California Independent System Operator. We're the grid operator for California.

And I wanted to maybe paint a short picture here, kind of a macro look at California's grid. And then, we'll take it to the micro level, where we're spending our time today.

This summer was a summer of importance for the grid. Natural gas generation is down 20 percent this summer, compared to a year ago. Some of that's due to increased hydro flows, increased hydro generation, but the bulk of the reason is because of increased development in renewable generation.

We added 2,300 megawatts of renewable generation since just last summer. So, on our system right now, we have 19,000 megawatts of renewables capability. Our solar peak, 8,000 megawatts, and that's doubled in just the last two years.

Now, picture that and then add to it, 5,000 megawatts of rooftop solar growing at 11,000 installations per month. It's an incredible testament to the vision of our policymakers, and our leaders, our Legislature, but it's also a testament to an incredible set of challenges.

Because, as the grid operator, we have two things that we're trying to manage. Oversupply, days in which we just have too much renewable energy, and ramping, moments when our grid has to respond quickly to reductions in renewables output.

What I'm here today, to do, is hear from this community about its needs to participate in demand response, in energy storage, in energy efficiency, in electric vehicles. Those are part of the solution set that we're committed to deploying.

Many of you have seen that the California ISO is working, now, with the Legislature, and the Governor's

Office, and the agencies on a program to explore regional collaboration, a regional grid. That also offers significant improvements in the use of renewable energy and in the reduction of costs.

So, what today, for me, is I want to know what measures we need to deploy to make technology available. I want to know when incentives need to be deployed to make it financially meaningful to the disadvantaged communities. And I want to know how to make it accessible. Because, people are busy, they work long days and nights, sometimes, and they don't have time to work their way through a lot of paperwork or hurdles.

Those things for me, today, Chair, will be a significant learning opportunity. Thank you all for allowing us to be here.

MR. SOKOL: All right, so thank you, Commissioners, and our guests for the opening comments.

So, we're going to jump into some presentations to really cover the report material, and then we'll have a lot of time in the end for public comment, and discussion.

So, with that, I'll turn it over to Alana Mathews for the next session.

MS. MATHEWS: Good afternoon. I am Alana Mathews, the Public Adviser for the California Energy

Commission. And many of you know, my role is to assist interested parties in the participation of Energy Commission proceedings.

Since I was first appointed in this role, it has expanded to ensure that all Californians can really participate in Energy Commission proceedings. And, more importantly, our programs, to make sure that all Californians can benefit from them.

And this expansion is reflected in a formal diversity commitment that the Energy Commission made in 2015.

In that formal resolution, that we adopted, the Energy Commission made a commitment to strengthen its engagement with disadvantaged and under-represented groups. Part of that is because we recognized that California is leading the nation and, in some regards the world, in transitioning to clean energy or, as Commission Scott stated, the clean energy revolution, so that we can reduce our pollution and increase our efficiency.

However, we also recognized the necessity in ensuring that our programs, policy, and planning are all equitable. And I think that, in one of the comments that we received, Communities for a Better Environment summed it up quite well in one of their comments. So, we wanted to just share this, and start off, because we wanted to just emphasize that our commitments to both diversity and equity have guided our efforts to date. And, we hope to continue to receive substantive input from everyone who's joining us today, to help ensure that our barrier study moves energy policy in the right direction.

So, let's begin. I first want to start off with a brief roadmap of what the staff presentations will cover. I will first give an overview of the 350 Barrier Study, looking at the requirements, the process, and our public engagement approach.

That will be followed by a presentation from two of our authors, Jordan Scavo and Bill Pennington, who will discuss the first couple of chapters of the study that deal with the barriers and solutions to energy efficiency, and renewable energy.

And then, that will be followed with a presentation by Esteban Guerrero, who will discuss the barriers and solutions to contracting opportunities for small businesses in disadvantaged communities.

And lastly, part of the roadmap, well, obviously, is we will conclude with public comment. And that's an opportunity to hear from you all, here today, about the barriers to solutions, making sure that we didn’t miss anything. But the most important part of what we want to get out of today are the recommendations for next steps in the barrier study.

So, just quickly, Senate Bill 350 required the Energy Commission to look at barriers to, and opportunities for, solar photovoltaic energy generation and renewable energy for low-income customers, contracting opportunities for small businesses in disadvantaged communities, as well as energy efficiency, and weatherization investments for low-income customers, including those in disadvantaged communities. And then, take all of that and put forth recommendations.

Our process, where we started, it was really a four-step approach that we had. We first conducted a literature review, that was led by Christopher Wymer. He’s our Energy Commission Librarian. He collected a lot of information, research, articles, other studies. But, it was important that we inform that research with information from program providers, participants, administrators and, of course, industry stakeholders.

So, the second part of the process for this barrier study was our public engagement. And that’s where we had a series of meetings and workshops to engage each sector, so that we could better understand the barriers and potential solutions.

The third part of the process was developing the draft study, that everyone has in front of them today, and that's dealing with the solutions, and the opportunities that we can look at.

And then, the final phase will be the recommendations. That's what we want to put forth before we present our study to the Legislature, that we can include those key recommendations, again, to make sure our energy policy is heading in the correct direction.

So, I'm going to focus more on our public engagement process. We've had three public workshops. We started out with our scoping plan, that looked at the approach that we were taking, on June 3rd. That was our kickoff workshop.

August 12th, we had more of a technical workshop to hear from industry stakeholders, program providers, administrators.

And then, on September, that actually should say 13th, that's today, the draft barrier study.

Then, we also participated to engage the public in two collaborative workshops with the California Air Resources Board, and their Environmental Justice Advisory Committee. We had an opportunity to join in two of their local community meetings, where they were discussing their scoping plan. But they had an energy discussion, and it did examine the barriers that different, low-income customers, and customers or consumers in disadvantaged communities, what are the barriers that they face to clean energy, which include renewables and energy efficiency program.

We also took advantage of the opportunity to participate in three stakeholder roundtable discussions that were sponsored, or put together by the Center for Sustainable Energy, Asian Pacific Environmental Network, and Greenlining Institute, as well as the Communities for a Better Environment.

So, on June 20th, there was an Energy Equity Experts meeting, where we, again, looked at all the barriers.

July 20th, the clean energy, that particular discussion only focused on small business contracting opportunities, which then led to workforce development, and how that plays into really making sure that disadvantaged communities get an economic benefit from all of the clean energy technology that's coming into their communities.

And then, lastly, we did another energy equity meeting, in Los Angeles, looking again at the barriers. But instead of having program participants, the low-income customers, that focused on participation from program deliverers, and environmental advocacy organizations.

We then, also, participated in seven community stakeholder meetings. We went throughout the State. And I'll highlight some information that we gleaned from each of those meetings.

But we made it a priority to make sure we reached out to Northern California, Southern California, the Central Valley. We were able to have a meeting with non-English speaking communities, so we had translation services. One of our community meetings was completely in Spanish.

And we also made sure that we included the Sierra community, so we could look at their unique barriers that they face, as well as some of the tribal communities throughout California.

Part of our public engagement also included our webpage. We have that available and accessible so that we can continually read comments, and any interested party could stay updated.

We've also had our Factsheet, which is translated into many different languages.

And then, the last part of our public engagement has been our social media outreach, where we're using that platform to really engage different Californians, throughout the State, in our clean energy revolution.

So, now, I'm just going to highlight some of our community meetings. The first one was in Los Angeles, on August 3rd, and some of the barriers that community members mentioned to us was that there was distrust. They felt like misinformation with regard to energy efficiency programs and renewable technology. Sometimes they would get phone calls, or people would come, and as soon as they asked questions, they would hang up or they wouldn't give them information. So, there was an element of mistrust that they felt was a barrier to having them access different programs.

And the solutions that they offer was to partner with community-based organizations, who have already developed a relationship and a rapport with community members and they have that trust. And that would include not only just having them do the work, but when you look at programs, funding actually an outreach component, so that the community programs could also continue to do that effectively, so that they have the resources to do it.

Another barrier that was identified, and this meeting was actually our Spanish-speaking only meeting, solar panels are cost prohibitive because there's a lot of conservative energy usage. So, a lot of low-income customers are not using a lot of energy. They may prefer to wash their dishes, instead of using the dishwasher, or hang out their clothes to dry instead of using the dryer. So, they thought it's cost prohibitive because they're not using enough energy to realize the savings. So, their solution would be to have community solar. One member even said have mobile solar. And then, someone else suggested as a solution that we require solar on all new, affordable housing.

Our next meeting was in Fresno. Some of the barriers that community members identified was to simplify eligibility requirements for all programs. When you have populations who don't speak English, that's a lot of information to understand and it's different for each program. So, they were suggesting, as a solution, to use the same criteria as other low-income programs, such as housing programs may use.

They also mentioned, as a barrier, poor outreach and education efforts. And suggested as a solution to have more flexible hours and have materials in multiple languages. So, the more flexible hours really goes to when there is outreach, or people who administer programs, they may come out during the day to do an energy audit. Well, for those who are working during the day, they don't have an opportunity to take advantage of that because they're not at home. And they also wanted more options for those living in mobile homes.

August 18th, we had a meeting in San Bernardino. And some of the barriers that were identified were that a lot of community members, they have swamp coolers, but there's limitation on that because, if they have a swamp cooler, they're not eligible for programs that is an air conditioning upgrade. And then some of them participated in an energy program a few years ago, and they actually received the swamp cooler, so now they can't participate again to receive an air conditioner. So, there was kind of like a dual problem with the evaporative coolers.

So, their solution was allow the option to trade out their swamp coolers for an air conditioner or to eliminate any time limitation on participating in energy efficiency programs.

They also identified that renters can't authorize and get upgrades because, again, they don't own the property. So, they wanted to make sure that a solution would create a split incentive for both the renter and the owner, but to ensure that there was some type of rent control. So, once energy efficiency measures are implemented in a home, if it increases the value, it doesn't increase the rent.

August 19th, we had a workshop in Oakland. And I believe we had four different languages at this workshop. So, they definitely identified language as being a barrier. But they also suggested, as a solution, instead of printing out millions of pieces of paper, that there be a central location and that we just post the information. So, some of the community workers mentioned to us that we current visit websites all the time and we'd be able to share that information by having a website to receive information.

Also, they identified, as a barrier, that there are multiple families, sometimes, that live in the same home. And so, if you're combining the incomes from a home, then they would be ineligible, even though the property needs energy upgrades.

August 24th, we were in Los Angeles. And one of the barriers that the community members mentioned -- and that was a second meeting because we wanted to have an English-speaking meeting. So, even though we did have multiple translations there, as well, the actual meeting was conducted in English. A mention of lack of information and education. And not only a lack of information for the community members, but they also felt like there was a lack of information and education on the side of program deliverers. So, they thought that we could create toolkits, that was one of the solutions, to help people understand how to implement energy efficiency, themselves. And also, wanted to have, deploy demonstration projects in disadvantaged communities so the community members could actually see what energy efficiency looks like, or how forward, or progressive trends actually look.

And then, they also mentioned that there’s kind of unclear metrics for success. So, even if you have these programs, how do you know that they’re working? So, they wanted something visible. Again, not just a project that they could see, but being able to have some assurance that government entities, or administrators, and regulators are actually seeing what defines success.

And again, they were very much into what can we do to educate ourselves, help ourselves. So they thought, you know, energy education is something that should be counted. So, once we have learned how to be more efficient with the energy that we use, that we’re being -- you know, that it’s counted as a benefit towards us.

August 22nd, we had a meeting in South Lake Tahoe. One of the barriers that they mentioned was that they felt like renewables is limited, sometimes just to water, or solar, sun, wind, and that would lead to less funding in renewables. So, they're solution was to consider forest waste as a renewable source of energy, to have increased funding in that area.

And they also mentioned, as a barrier, that sometimes definitions of disadvantaged communities are non-inclusive, particularly in their area, where they have less density, but their property values or sometimes income values of homeowners is there's a great disparity. So, they were suggesting, as a solution, that future programs should consider income, not just of the, you know, census tract, but of each individual area, and also consider seasonal energy demands. Again, when you have just a less dense population, there may be times of the year where there is energy usage that would be more reflective of a more populated area.

Our last meeting was August 31st, in Redwood Valley, the Ukiah area. And some of the barriers that were identified was that there are a lot of low-income residents who are eligible to participate in the programs, but their homes are not. Because they've lived on reservations, property has been in their families for several generations, so they're not eligible.

And one of their potential solutions is that they just requested, you know, funding be set aside for tribal communities and disadvantaged communities.

They also mentioned, as a barrier, there's a working poor challenge. So, they may not be eligible because of their income. But again, because they're living on land that's in their family for years, or living in the homes or the structure, it needs a lot of upgrades.

They also mentioned that there was a lack of collaboration. And, as a potential solution, they'd like to see one-stop shopping so that tribal community members can simply go to one place and see how they can apply for either energy efficiency or renewable programs administered by the State or the Federal government.

And at this time, I will now turn it over to Jordan and Bill.

MR. SCAVO: Hi, everybody. My name is Jordan Scavo. I'm the lead author for the SB 350 Low-Income Study.

So, the structure of the study is, as it's displayed, Chapter One is introduction and methodology. Chapter Two delves into relevant program descriptions. Chapter Three describes barriers to efficiency and renewable technologies for low-income customers.

Chapter Four discusses potential solutions and opportunities to overcome these barriers. And Chapter Five deals with barriers and solutions, together, as they pertain to small business contracting in disadvantaged communities.

As has been mentioned a few times already, we don't have really concrete, defined recommendations. And part of the point of this workshop is to solicit further comments, so that we can refine solutions into well-defined recommendations.

Can you go back one, please? So, we've grouped barriers into a few categories. There are financial and other structural barriers, barriers pertaining to community access, and policy and program barriers.

The next slide. So, for low-income Californians, 43 percent of them live in multi-family housing, 51 percent are in single-family homes, and 6 percent live in mobile homes.

As Chair Weisenmiller pointed out, this brings up some issues. Sixty-four percent of the renters, or 64 percent of low-income Californians are renters. So, they don't own their roofs, which means they don't have the same incentive for making fixed investments in their homes.

At the same time, landlords aren't always willing to make investments that will not provide them with a direct economic benefit. And this leads to an issue that is often referred to as a split incentive. How do we encourage landlords to make fixed investments that benefit the renters?

The next slide, please. I'm sorry, can you go back one slide? A couple of other things on this topic. So, low-income Californians can be characterized as generally lacking capital, meaning they can't pay for energy upgrades with their own means. They also have poor access to credit, and this is created through both supply and demand constraints.

Many folks are limited or unwilling to take on more debt, or suffer from poor credit ratings that exclude them from interest by conventional lenders.

The next slide. The multi-family housing sector has some additional, unique challenges that make further barriers.

And some older properties, they're master metered, which means that there isn't an individual utility bill broken out for tenants. Instead, the bill component is built into the tenant's rent or added as a fixed charge. But because of that, we can't put in investments that directly benefit the renters. Utilities -- or, efficiency savings accrue to the landlord in master-metered properties. So, we need unique solutions to ensure that public investments are passed on to low-income renters in these situations.

And issues of how to address common areas, in addition to tenant spaces, presents another challenge which is somewhat similar to the issue of master-metered properties. You know, spaces in a multi-family building that aren't directly in the space or controlled by the tenant, they're in between. And because of that, there isn't a direct economic benefit to the tenants. Although, there are certain other benefits, including non-energy benefits, that the tenants can enjoy.

So, we should try to develop solutions to meet these needs in common areas, as well as in tenant spaces.

Multi-family housing buildings also have diverse building characteristics. They have varying resource needs, energy equipment, financing and ownership structures, and this makes it difficult to develop standardized efficiency programs that target multi-family housing.

Multi-family housing often has a budgeting process that adds further constraints. Many of these buildings run on such thin budgets that the only time a building owner can take on addition debt is during a point of refinancing, which makes timing a particular challenge for addressing this sector.

And lastly, many building owners have difficulty making decisions without access to whole building energy data, which is difficult to obtain from utilities.

The next slide. There are a few different elements to barriers pertaining to community access issues. There are outreach issues, as Alana mentioned earlier, and issues of trust. Who do people in low-income communities know and who do they trust to receive information from?

There are issues of language and culture gaps that impede efforts for low-income communities to connect with program operators. Consequently, low-income customers may lack good information about the potential for energy upgrades.

And, finally, low-income households may -- or, people in the low-income households may work multiple jobs, or work atypical hours, and this can contribute to non-monetized transactions costs, in which an eligible participant chooses not to proceed due to requirements, such as arranging for energy audit, or compiling paperwork and application materials, or acquiring landlord permission.

MR. PENNINGTON: My name is Bill Pennington.

I'm the Senior Technical and Program Advisor for the Energy Efficiency Division, and I'm providing assistance to the development of the Low-Income Barriers Report.

I'll be sharing with you some of the information that's included in the draft report regarding policy and program barriers. And as shown on this slide, there are several of these, I'll be going through them.

The first barrier is program reach limitations. Programs can be designed or delivered in such a way that they exclude or they don't effectively reach low-income customers. Also, they can be designed without taking into account the values and needs of the specific disadvantaged communities.

Stakeholder feedback related to this barrier indicates several limitations related to program rules. NRDC notes that one common barrier is geographic boundaries, where the program's boundary ends at a street, say, and right across the street there are buildings that have the same low-income tenants, and have the same opportunity for upgrades, and they're not allowed to participate in the program.

Also, discussed a lot at the workshop on August 12th, was the fact that strict focus on income eligibility drives programs to focus on specific households or even dwelling units, rather than on the larger goal of systematically upgrading the population of the buildings that house low-income persons.

At community meetings, members of the public expressed confusion about program eligibility requirements, as Alana mentioned earlier.

So, related to barriers to collaboration, poor inner program coordination results in funding silos and conflicting program rules. Virtually all stakeholders are concerned that this results in major, unrealized opportunity for energy upgrades that go unmapped.

One clear example is the weatherization programs in California have pretty substantial differences in program administration, in the contractors that are used, in the jurisdiction of the program, and the funding, and the eligibility requirements, making collaboration across those programs difficult, even though that's a daily effort to try to coordinate those.

The third barrier is tax credits. The California Tax Credit Allocation Committee, known as TCAC, enables a massive investment of private capital into the development of affordable housing in California. TCAC allocates both Federal and State tax credits to the developer of these projects. And there will be investors, who have large tax liability, that provide equity as a major component of these financing projects to fund the construction of affordable housing, in return for the tax credits.

TCAC establishes and verifies compliance with the requirements to their program, and ensures the continued affordability, and habitability of the developments for 55 years. They do this by providing Federal and tax credits at 15-year intervals, throughout the life of the buildings, for major rehab projects.

So, we have a huge portion of affordable housing that is reliant on these tax credits at the point of construction, and at the point of renewal every 15 years.

During most of the past decade, TCAC has maintained ambitious minimum requirements and, also, extra competitive points for incorporation of energy efficiency and renewable generation in new, affordable housing, and rehab projects. And this has had a major impact on getting energy efficiency and renewables included in the State's affordable housing.

However, recently, TCAC has opted to pull back on their prior push for energy efficiency and clean energy in affordable, new construction and rehab projects.

So, the next barrier is related to rate setting and regulatory challenges. And key information in the report, about this, is that net energy metering and virtual net metering have been instrumental in the success of California's SASH and MASH programs.

However, the inability that you would expect, that we've talked about already, that's kind of inherent with low-income homeowners to afford on-site solar, is aggravated by the fact that they pay low energy rates as a result of CARE subsidies. Payback periods can be double or even greater than what general customers --

CHAIR WEISENMILLER: Come on, we're not going to recommend doing away with CARE, period. That's an important aspect of providing essential services to low income.

MR. PENNINGTON: Right. So, that wasn't the recommendation, I don't think, or --

CHAIR WEISENMILLER: I just wanted to be clear. But the way you were going is that's a barrier. And what I'm saying is it's actually a key part of helping low-income, so let's not -- let's be careful in how we're phrasing things.

MR. PENNINGTON: Okay. So, yeah, not intending to say that's a barrier and you should get rid of it. But it's a consequence that makes the cost effectiveness of improvements in that sector more difficult because they're paying lower bills and --

CHAIR WEISENMILLER: Yeah, no, that's true. But again, let's -- when -- if you were working with Dan Yergin, Yergin always says there's four issues, period. I don't care if it's peace in the Middle East or, you know, oil markets in general. So, we have to focus on what the high priority things are going forward, and things that are addressable.

And I guess what we're saying is I think we need to keep thinking of CARE as a key part of what we need to do in this area.

MR. PENNINGTON: Sure.

CHAIR WEISENMILLER: And then, figure out how we can build our programs around it.

MR. PENNINGTON: Right. Okay. The next barrier that's discussed is related to insecure or inadequate program funding. Short-term funding cycles can severely limit program impact on low-income housing. And one major drawback that was mentioned in the August 12th workshop was, as a result of short-term funding, programs have had to lay off experienced workers, when the funding is disrupted, and draining a program of its workforce capacity and technical expertise.

So, you know, a major issue, also, is related to the adequacy of program funding. And, in general, there's a very large need, compared to the funding that's available.

LADWP noted, at the August 12th workshop, that 40 percent of its customers are income eligible for assistance, but that they only have funding to serve a miniscule portion of that each year. So, there comment was, without greatly increasing the funding, meeting, providing assistance to all the eligible could take as long as 100 years to accomplish.

The next barrier is related to data limitations. Programs for low-income communities commonly are inadequate in terms of the collection, publication and analysis of participant data. Stakeholders at the August 12th workshop agreed that a lack of data creates barriers.

For example, CSD stated that it is difficult to assess market saturation, and community needs, and to track program investments due to data constraints.

The final barrier here is related to unrecognized non-energy benefits. In the case of weatherization programs, improving the health, safety and comfort of treated homes are the paramount goals, and saving energy is a co-benefit of these programs.

So, undue emphasis on achieving cost effectiveness of those energy savings can be a barrier to accomplishing the goals of SB 350.

Individual responses from the community meetings commonly listed family health as a stronger motivator for efficiency and weatherization efforts, than economic savings.

Quantification of non-energy benefits in cost effectiveness analysis, however, is not easy, and there is little agreement on best practices for making these determinations.

At the August 12th workshop, the CPUC representatives pointed out that the enabling statutes for IOU energy efficiency programs emphasize program cost effectiveness, and the PUC is bound to meet those requirements.

So, that covers this slide and I'll turn it back to Jordan.

MR. SCAVO: So, the next few slides, between Bill and I, address potential solutions and opportunities that are discussed in Chapter Five, the solutions chapter.

So, to overcome financial and other structural barriers, sometimes this comes down to an issue of how to spend the money. We've got a couple of avenues for doing that.

We can pursue direct government investment. That can be through things like direct install programs, such as weatherization, or the energy efficiency programs run through PUC and the utilities. We can use tax credits to incentivize landowners and building owners. Or, we could offer loans directly through a green bank, with the offer of loans that have lower credit rating thresholds.

We can also use State funds to encourage private capital. We could establish a loan loss reserve, similar to what's been used by PACE, the Property Assessed Clean Energy financing mechanism. We could use that reserve to guarantee loans against default and encourage private lenders to offer loans to people with lower credit thresholds.

We could also use subsidies, such as tax credits, or a rate buy-down scheme, to encourage lenders to open up access to people that are less likely to be targeted by traditional lenders.

As we discussed earlier, 64 percent of low-income Californians don't own their homes, don't own their roofs. So, it's worth bearing in mind that, when we discuss solutions, we need to think about who we're targeting. Some mechanisms are appropriate for homeowners, or for building owners and landlords, and some won't work if we're trying to reach directly to renters.

For ones that may work for homeowners, we can look to PACE, which has been a stellar example of an innovative way to reach or to push renewables, push DG solar on rooftops in California. We can look at PACE for how well it currently serves homeowners and how we might improve it. We can also investigate ways to expand access to low-income customers through PPAs and leases, that are also subject to same credit threshold restraints.

For renters, we might look at what's -- or, rather, I might say that what seems most promising is a system called PAYS. Pay As You Save, which is a variant of an on-bill financing mechanism, in which the utility finances improvements directly and passes the savings on, directly to customers.

So, other ways that we might target renters and hard-to-reach customers. Even for folks that own their homes, they may have older homes, or roofs that are damaged, or require structural, or health and safety repairs before they can look at rooftop solar, or certain efficiency measures.

So, to address split incentives, we can look at a few other things. We can expand and increase appliance rebates, which would incentivize building owners to choose the -- or, to make it so that appliances, that are energy efficient, are the most economically sensible solution to put in the homes of their tenants.

Or, we might consider requiring master-metered properties, that receive incentives, to agree to rent controls, so that they can pass along those savings to their tenants.

We also might consider ways to empower renters to make their own choices. So, the PAYS system is one way of doing that, community solar is another. Community solar allows renters, and homeowners with unsuitable roofs, to reap the benefits of a solar project and it has potential to pass along considerable energy savings to customers, if we can develop a way to offer community solar projects so that it meets the needs -- or it meets, rather, the capital and credit constraints of low-income customers.

We can also do a better job of targeting multi-family housing, and find better ways to trigger financing opportunities for building owners, get better access for building owners for whole building energy data so they can make more informed decisions, and conduct better education, outreach, and technical assistance to building owners with diverse and complex needs.

To try and address some of the barriers for community access, we should rethink how we frame energy upgrade programs and initiatives. It's easy for folks to hear about a no-cost, direct install program, and view it with some skepticism, because it sounds like something for nothing. Or, perhaps it's still true today, at least for sure it was up until a few years ago, that rooftop solar was an example of conspicuous consumption. That seemed like something that was beyond the reach of long-time customers.

So, if we're going to talk about opportunities for long-time customers to access these programs, we need to describe it in a way that makes it sound inclusive, and viable. We should develop more nuanced marketing, convey marketing that's language appropriate, and that's culturally sensitive, and tailored to the specific needs of diverse communities.

And we can develop and make use of better points of contact. We can use trusted points of contact, like community leaders and organizers, and strive to hire locally, from the community.

MR. PENNINGTON: So, okay, I'll continue with potential solutions that were discussed in the report, related to policy and program barriers.

As a preface to the whole area of thinking about barriers related to policies and programs, recommendations that have been made by stakeholders would be to first evaluate all of the existing programs for how well they accomplish their goals, and how they can be approved.

NRDC Greenlining also recommended the setting of statewide energy savings goals, consistent with SB 350 and SB 32, for low-income and the setting of specific energy savings targets for each program.

Related to the first possible solution here, establishing consistent eligibility criteria, several potential solutions have been suggested by stakeholders. Yolo County stated that, "For many State and Federal housing programs, qualification in one housing program automatically qualifies the household for other programs." Perhaps that's transferrable to energy programs.

Also, many programs only require 51 percent of the dwelling units in a program's geographic area to income qualify, in order for all homes in that area to be eligible.

TRC Energy Services points out that the Cap and Trade-funded low-income weatherization program is considering using rents below a threshold as an alternative to income qualifications. And that could make it easier for the building owner to determine and also, as a side benefit, encouraging owners to lower rents in order to qualify for the program.

NRDC Greenlining, in their written comments, recommended universally establishing the same eligibility criteria for all programs, using a specific percent of area median income, which is the metric that is consistently used by the housing programs.

Johns Manville and Nest Labs, Incorporated, recommends the delivery of retrofits to entire disadvantaged communities, not just those households who qualify as low-income, to make the programs more accessible and to ease transaction costs for potential participants.

Related to improving the understanding of community needs, several studies, that were identified in the report, emphasized the importance of understanding housing characteristics of targeted households, and consumer needs, when designing energy efficiency programs to serve low-income.

To better understand targeted communities on an ongoing basis, NRDC Greenlining recommends establishing a statewide advisory group, or board, that can provide a feedback loop between low-income customers and program administrators.

Related to choosing effective program administration, the selection of administrators can lead to improved performance, program performance. An example that's been highlighted is the nonprofit organization, Grid Alternatives, has been lauded for its administration of the SASH Program, due to its program strategy, incorporation of education, and job training, and its established relationships with the community.

And maybe, on a more general line, having community-based organizations actively engaged and conferred with in the delivery of these programs could be beneficial.

Related to making programs easier to use, multiple stakeholders have strongly recommended major efforts to streamline program delivery. And that would be taking a close look at every aspect of the program, including application processes, forms, and protocols to make sure that, from the customer perspective, they're made as simple as possible.

The next slide. Related to integrating programs and services, stakeholders advocate for the establishment of a one-stop-shop to simplify program participation and increase the efficiency of program coordination.

At the August 12th workshop, NRDC pointed to

Massachusetts' LEAN Program as an example of a program that successfully coordinates multiple low-income programs through a one-stop website.

The NRDC Greenlining written comments recommend the development of regional, one-stop-shops to provide technical assistance and seamless delivery of services to owners and tenants. StopWaste supports this idea and things that establishing those kinds of regional, one-stop-shops could reduce transaction costs for potential program participants.

Community Energy Services Corporation recommends that, kind of stepping back up to the statewide level, or regional level, perhaps, and having program agreement to coordinating a single package of programs that would be delivered.

Related to the barrier of improving coordination across programs, collaboration among many different entities seems to be very appropriate. There are a lot of different players that have some kind of impact on the potential energy efficiency features or renewables in these homes, including State and local governments, utilities, community organizers, local program delivery entities. And then, in terms of programs, existing housing programs, energy, water and financing programs. So, the cross-coordination of all of those could be critical to leveraging program resources and implementing these programs in an integrated way.

While strongly supporting this idea of very large attention to collaboration, Richard Heath and Associates points out that overhauling multiple programs could be a lengthy undertaking and that policymakers should not overlook incremental improvements that can be made more quickly, along the way.

In terms of reinstituting tax credits for clean energy, StopWaste points out that TCAC would greatly encourage energy efficiency and renewables in affordable housing projects, that prioritizing projects that adopt these measures, and that reinvigoration of TCAC's previous policies could strongly contribute to meeting SB 350 and SB 32 goals for transitioning low-income housing to clean energy.

Related to modification, considering modifications to CARE, which is not an intent to roll back the program in any way, or anything like that, but one idea that was proposed by the Interstate Regional Energy Council, was their advocacy for their Clean CARE Proposal. This option would allow low-income customers to redirect CARE funds, from their CARE rate discounts, towards purchasing renewable generation from a third-party provider, selected by the utility through a competitive bidding process.

Program participants would move to a standard rate for their rate class and offset a portion of their monthly bills through their share of the community solar project.

IREC Analysis, they indicated that the customer actually would be better off under that kind of a situation than to be receiving just the CARE discount. So, this proposal has been proposed in the CARE ESA proceeding, and is being deliberated there.

The next slide. So, the first solution here, proposed solution, relates to providing consistent and adequate funding. Multiple stakeholders stressed the importance of providing long-term funding for existing programs. NRDC Greenlining recommends a minimum of four-year budget cycles for affordable, multi-family housing programs.

Also, stakeholders have recommended that program funding levels be reconsidered, in light of SB 350 and SB 32, to ensure that programs targeting low-income customers are adequately and equitably funded. So, kind of a revisit to the funding.

Related to something the Energy Commission might be able to do, the Energy Commission’s research funds, administered through the Electric Program Investment

Charge Program, allocates funding for demonstration and market facilitation projects located in disadvantaged communities, or provide preference points to applicants who propose demonstration projects in disadvantaged communities.

The Energy Commission is currently scoping the Research Investment Plan for 2018 to 2020, and potentially some additional focus on bringing benefits of emerging technologies to disadvantaged communities could be considered there.

Related to implementing data recommendations from the existing Building's Energy Efficiency Action Plan, the Action Plan placed high emphasis on data-driven decision making, concluding that consistent availability and access to the right kinds of information are foundational for both market activation, and monitoring the impacts, and determining the effectiveness of local, regional, and State initiatives.

Another key goal from the Action Plan is the creation of a statewide database of low-income, energy efficiency, and weatherization programs, which has been a past recommendation for those programs. And, there was support for that at the August 12th workshop.

There were supporting comments related to the importance of data at the workshop, including CSD saying that, "Getting the right kind of energy information about homes, so that you can look for homes that have the highest energy burden, and focusing on the right type of housing, would allow the most impact when doing weatherization and efficiency work."

NRDC stated that, "In order for multi-family property owners to do retrofits and get the financing they need, they have to have access to energy bill data, and that it has been a real struggle for owners to get both whole building and tenant energy bill data in the past."

And StopWaste stated that, "Energy-using benchmarking data, required to be disclosed by AB 802, presents a major opportunity for better targeting multi-family housing."

Under AB 802, the Commission's past efforts to do benchmarking for nonresidential buildings was extended explicitly to multi-family housing, with more than five occupants. And so, this is a major new area where data could be provided to the market.

So, the last bullet here is related to incorporating non-energy benefits and cost effectiveness. Incorporation of non-energy benefits into cost effectiveness can place energy efficiency and renewable upgrades in the proper context, allowing consideration for the infrastructural, environmental, and social benefits that are particularly important to these programs for the low-income communities to be counted.

PUC representatives, at the workshop, point out that while doing that is difficult, from both a statutory and quantification vantage points, the PUC is now considering how non-energy benefits can be addressed for low-income programs, both for energy efficiency and solar.

And a final comment, NRDC and Greenlining, in their written comments, recommended that low-income, multi-family housing retrofit projects not be evaluated under the total resource cost parameters, due to the unique challenges facing the multi-family building sector. And that, in particular, the cost of combustion safety tests and remediation not be factored into the TRC.

So, that concludes my walk through of solution ideas for the policies and program barriers. And next, we’ll hear from Esteban Guerrero, on barriers and solution ideas in the draft report for small business contracting opportunities.

MR. GUERRERO: Thank you. Good afternoon, my name is Esteban Guerrero. I work in Commissioner

Hochschild's office, mainly supporting Alana's work for the SB 350 Study. In addition to helping with a few of the public meetings, I am helping put together this chapter on small business contracting.

The process for this chapter has been slightly different than that for other chapters, in that we made an effort to reach out to a number of experts, including folks from diverse small businesses, environmental justice and equity community members, and academia. We also reached out to a number of State agencies and departments.

One of the reasons that we actually reached out to so many folks is because there is very little literature about the topic. There is extensive literature about small businesses, in general, but there is very little literature specific to small business contracting in California, and we could not identify literature on small business contracting in low-income and disadvantaged communities.

Therefore, if anyone is aware of any formal study, please bring it to our attention.

Okay, so I'll focus on a number of barriers, and some of these barriers may be specific to small businesses in disadvantaged communities and low-income communities. Other barriers may be common to small businesses in general. Some barriers may be related to contracting with the State, only. Others related to contracting in general.

The first is a set of barriers regarding the lack of access to information. It was brought up by several stakeholders that, in particular, one academic study that we found says that 28 percent of the surveyed, small businesses that are certified at the time they did the study, did not know how to identify or how to find information on existing bids.

Another type of barrier is a lack of access to information about funding and funding criteria. According to the environmental justice and equity community, they believe that specific knowledge of funding and funding criteria is a barrier to contracting out of state and local level.

Also, there seems to be lack of access to information on small businesses in low-income and disadvantaged communities. As I mentioned earlier, there is little literature there, available. The State, itself, is not required to collect data about the needs of small businesses in low-income and disadvantaged communities.

Some agencies or departments, for instance, High-Speed Rail Authority do collect information, because they receive Federal funds, so they are required to target them for help.

Last on the slide, insufficient focused outreach. The Department of General Services does a lot of outreach efforts in the name of the State, but they -- and, sometimes they do partner with agencies to do some focused efforts, but it's not their main goal.

Therefore, they mentioned that in some cases, for instance, some agencies or departments are so small that they do not have dedicated small business advocates. Therefore, there's no bandwidth for these folks to focus on outreach efforts.

Another set of barriers are about technical assistance and workforce needs. With respect to the solicitation process, with the State, while several stakeholders mentioned that companies of all sizes struggle with the amount of paperwork involved in the bidding process, in some cases large companies tend to have dedicated staff to work on some of these talks. Whereas, the small businesses do not have dedicated staff to do that.

In particular, the CEO of a small business, a contractor, mentioned that if she believes that there are slim chances of winning a particular bid, she will just not participate because she needs to dedicate her resources on other tasks.

With respect to specialization issues, the Department of General Services states that there is a lack of certified small businesses in highly specialized fields.

Energy Commission staff, for instance, mentioned that if there is -- if there happened to be a highly specialized engineering firm in East Oakland, but it's not certified, just to cite an example, then they don't know about it.

In terms of workforce recruitment and retention, the environmental justice, and equity community, and academia agree that small business contracting with the State is good for the overall California economy. However, there are a few challenges. For instance, in the case of energy upgrade jobs, the work seems to be temporary, or seasonal. Therefore, small businesses, in particular in disadvantaged communities, have a hard time retaining their workforce when the work is low.

There also seem to be issues with some of the program funding in that there is a start and stop behavior of some of these programs. So, again, small businesses that rely heavily on a particular type of program may suffer during the times that there's no funding.

At the same time, also, a small business owner mentioned that hiring trainees for a particular field, at affordable rates is difficult because there is no job classification that allows for it to hire trainees from the local community college, for instance.

The next slide, please. Here, we're going to cover a few barriers associated with financial obstacles and other concerns. So, the first three bullet points are related to financial obstacles.

The first one being cost structure. The Department of General Services, and other stakeholders, mentioned that it's possible and they have observed that large contracting firms may benefit from volume savings. Given the size of their firms, they may either have a number of contracts to buy equipment for, and material for, so they may benefit from volume savings, or they may have a long-standing relationship with a vender and, therefore, they may get some discounts.

Whereas, some small businesses tend to buy retail, which is usually higher prices.

In terms of self-financing, small businesses, in general, have little, to no cash reserves. And as we mentioned, in disadvantaged communities they already have a hard time maybe supporting their workforce, then they probably have less access to their own funds. And this happens usually when, for instance, at the beginning of a contract they may need to buy material up front, and so on.

So, one of the stakeholders in a State agency mentioned that small business, also, sometimes ask for advance payments.

In terms of insufficient private funding available, according to the environmental justice and equity community, the banking industry has no interest in serving small businesses in disadvantaged communities.

However, the Community Energy Services Corporation, that participated in the tech workshop a few weeks ago, mentioned that perhaps the reason for this is sometimes these small businesses need loans that are just so small for any bank, or any credit union, to be willing to help with.

In terms of other concerns, one of the academic papers that we looked at talks about a pattern of winning that could easily become a pattern of discouragement. In the sense that they observed that those small businesses that bid more often tend to win more often and, therefore, they get encouraged to bid again, and that's a virtuous cycle.

But the same cycle could become vicious if they get discouraged for whatever reason, so the fewer times they bid, the fewer chances they have of winning, and so on.

There also is a concern for tighter controls around the 25 percent State contracting target. The Department of General Services, and other stakeholders, share that some large contractors may, in fact, allocate 25 percent of a particular contract to small businesses. However, if the scope of the work changes over time and, therefore, the dollar amount associated with the contract goes up, the contractor may not give that extra piece to the small business in order to maintain the 25 percent.

Another example they shared was that, in some cases, a large contractor, again, may indicate that they're going to allocate 25 percent to small businesses, but after all the paperwork is done, they may swap companies.

In terms of some of the potential solutions that have been raised by our stakeholders, the first one is follow-up data collection and analysis. Some folks suggested that perhaps an in-depth study is necessary in order to identify the needs of small businesses in low-income and disadvantaged communities, again, given the little literature that seems to be available.

The second bullet point mentions an overarching small business application strategy. The environmental justice and equity community used the term “supply chain” to refer to small businesses in one of their recommendations. In other words, that would imply that some small businesses are actually more important to certain supply chains, especially in the energy industry or construction, than just a collection of small businesses.

And there are examples in industry, for instance in the auto industry, about how to work with small businesses in order to help them become stronger members of a strong supply chain.

In terms of partnerships with community-based organizations, similar to what we heard before for other recommendations, it would be important to partner with community-based organizations to provide information and train the local workforce.

The community mentions two reasons for this. One, community-based organizations, as has been mentioned before, they have already built some trust with the community. At the same time, some community-based organizations are actually, in fact, dedicated to skills development, themselves. So, it would only be natural that we partner with them or someone partners with them to train the workforce.

The next slide. Thank you. Another set of suggestions are around alternative funding strategies and tracking metrics. For instance, one suggestion that came up talks about the possibility of tracking grants to small businesses. This is not done today.

Some agencies mentioned that it's not impossible. It would be cumbersome because there's a number of layers in subcontracting and subgranting, so it would be hard to keep track, but it would be possible.

Another suggestion is to take lessons learned from successful programs and policies. For example, the CPUC's General Order 156, which is a voluntary procurement program that encourages active participation of the Investor-Owned Utilities to procure or contract goods and services from women-owned, minority-owned, and disabled veteran businesses.

Also, there is a suggestion for greater coordination among State agencies and departments, in particular with respect to more focused outreach efforts between the Department of General Services and individual State agencies or departments.

Another recommendation is about a special focus on increasing access to information and contracting opportunities. Some of the solutions that have been exposed could be piloted at a small scale, with a number of small businesses, or in a particular community, or in a particular field of work. That way, we don't necessarily have to go out and do this throughout the State, at once.

Another solution that has been offered is to increase earlier access and outreach to contracting opportunities.

And one more, coming from the environmental justice and equity community, is to try to remove policy barriers to targeted contracting. For instance, they talked about trying to revise Proposition 209.

And last, a number of solutions are about supporting clean energy placement and workforce development. There is a recommendation from the environmental justice and equity community to collaborate with Labor and Workforce Development Agency, the Workforce Development Board, and the Employment Development Department. As well as, perhaps, putting together a roadmap with recommendations to improve clean energy workforce and job placement policies.

And with that, I'll hand it back to Alana.

MS. MATHEWS: Thank you, Esteban. So, at this time we wanted to open it up to the Commissioners, and other members of the dais, if you had any questions, or comments, or discussion.

CHAIR WEISENMILLER: Sure.

MS. MATHEWS: And then we'll move to public comment.

CHAIR WEISENMILLER: Yeah, that sounds good. And when we go to public comment, I wanted to start with other agencies, or public bodies, first, and then the general public.

And, I see Jeanne's there. Particularly, to the extent that some of these things cut across the PUC, I was going to ask Jeanne to sort of give a general context for us on where the PUC's decision is, pending decision, if possible.

So, do you want to -- I mean, I think one of the difficulties we have, just saying generically, is that we're coming in at a pretty high level, and we're touching a lot of things, PUC programs, CalEnviroScreen, you know, tax -- and, you know, I think we've got to figure out a way to communicate with them, but also respect their processes.

You know, the PUC's had, I think has an 800-page decision out, you know, certainly.

MS. CLINTON: It's 500 pages, each.

CHAIR WEISENMILLER: Five hundred pages, two

500. So, anyway, you know, which was based upon a pretty lengthy hearing record. So, again, we're certainly not going to reset any of that, you know, but trying to figure out how to respect the PUC process, but at the same time to deal with our legislative mandate. And the way we're going to -- at this point there hasn't been a good chance to say here's some solutions, now, let's get some feedback from the various agencies before we roll public.

So, Jeanne, please.

MS. MATHEWS: Yeah, can I just make one quick announcement? If there's anyone else who wanted to have public comment, can you be sure to fill out a blue card. They are located at the table. And Eunice, right here, if you can hold them up, she has some. So, if you can just fill those out and return them to Jocelyn, and we'll make sure that we have everyone called in order.

CHAIR WEISENMILLER: Yeah, that would be good. And also, again, if you're a public agency, if you can note that on the card, you know, we'll sort of put you first.

And also, in terms of trying to get people on the phone to start signing up, too.

So, Jeanne, please.

MS. CLINTON: I'll try to organize my remarks into two groups. One is answering the questions you've posed of where is the PUC on its current decisions, and record. And then, maybe, just a couple of observations about how we go forward as a State in trying to tackle these issues.

So, as Chair Weisenmiller indicated on, I guess about two weeks ago, the PUC issued a proposed decision and an alternative proposed decision, which is a process we use when a judge writes one decision, and an assigned commissioner would like to see some modifications, so we get a proposal and an alternate.

And probably 80 percent of the text is the same, but 20 percent is different, but it has to be in a stand-alone document, so it's just what it is.

More importantly, in the context of low-income services, which is one portion of that decision, and the other portion is about the CARE rate discounts, let me just put a couple things in context.

There's been a lot of discussion today about the need to do more, serve more households, go deeper with efficiency, do more solar.

The ESA Low-income decisions are looking at spending $370 million a year, of electric and gas ratepayer funds in the Investor-Owned Utility areas. One of the bones of contention is what to do with a $400 million unspent pot of funds that has amassed over a period of time because of an inability to get over some of the barriers in some of the housing stock. So, $370, plus what to do with the $400, $370 per year.

Also, to put that in context with the CARE rate discount decision, the amount of money that other ratepayers are surcharged, if you will, to support the CARE discount, which is about a 35 percent discount on the bills, and to pay for that discount it takes $1.2 billion a year of ratepayer funds.

So, between CARE and the ESA Program, we’re looking at about $1.6 billion a year, give or take. So, it’s not chump change. And the question is how to use the funds intelligently. And that’s, essentially, why it’s been two years since the utilities’ submitted their applications. It’s taken two years of exposition of the issues in the record development and, therefore, we get these very complex decisions.

So, that said, the decisions came out, the proposed decisions came out about two weeks ago. Normally, the Commission could vote on them in about 30 days. Given the complexity of these issues and scale, I don’t think any of us expects that the Commission will have finished all of its analysis and thought processing, and be ready for a decision. So, at some point this fall I'm sure we will see a decision. But that's where that proceeding is at.

Just a few policy points that are in that decision. One of the differences between the proposed and the APD, the alternate, is how much money to spend on multi-family and under what rules, or circumstances, particularly since 80 percent of the qualifying households live in privately-owned housing, not publicly-owned, or not nonprofit, affordable. So, that's one issue, to what extent should ratepayers be paying landlords to fix up their buildings?

A second question is what are the details of on what we spend the money? Do we do everything in a home or do we set some priorities? And in round numbers, the program spends about $2,000 per household, now.

There's also a mandate that strengthens past mandates for the Investor-Owned Utility Programs to work in collaboration with the Community Services and Development Department, in California, that administers the historic Federal funding and, also, the newer cap and trade funding.

And there's a mandate for coordination on data access, and provision, with an emphasis on using the information to target households that have a good chance of, A, saving a lot of energy and B, seeing their bills go down.

And, finally, in terms of points that have been raised today, the decisions authorize the utilities, rather than -- particularly for multi-family housing, rather than deliver a program directly, the way that ESA has historically been administered, which is a direct install by primarily community-based organizations, to allow the funds to be set aside, in some sort of an account, so that in the multi-family that program could be done through the regular mainstream efficiency portfolios that already have programs for multi-family, or it could be done with a regional energy network, or it could be done with CSD.

In other words, a pooling of funds in some back Office accounting to allow each to contribute what their statutory permissions allow in terms of getting to a more sensible, coordinated approach. So, that's also part of what's sort of on the table right now.

Does that answer most of the questions you had about where is the PUC?

CHAIR WEISENMILLER: That's pretty good. I was going to ask you a couple of questions. I don't know if this is specifically in the decision, or points you wanted to cover. But anyway, just to make sure we get your input.

There’s obviously some suggestions about on-bill financing. And I know you and I worked on on-bill financing a few years ago, and sort of caved to effort. And so, at this stage, where is all that?

MS. CLINTON: So, there are three sets of financing programs that the PUC supports financially. One is the Legacy Utility On-Bill Financing, OBF. And that’s where the utilities make the loans directly, ratepayer funds are 100 percent of capital. And they are available to nonresidential properties, as well as to multi-family properties that do not have owner occupants. And so, basically, not condominiums.

And it’s set up as a revolving fund and it’s zero interest. The constraints are that if you’re a private entity, you can only get a five-year loan, because it’s ratepayer money and we want to limit the risk.

I don’t know how much -- they’re revolving accounts and I think they may be in the neighborhood of $100 million, or so, that has been loaned over time, but they pay back quite quickly.

The second pot of money is a small handful of local governments that you folks, here at the Energy Commission, funded with our money, about five years ago, where they were using it for loan loss reserves. And they still have the loan loss reserves fund, because they haven't made that many loans, but they ran out of administration and marketing overhead money when our funds ended. And in the IOU areas, we've directed the utilities to continue to support those overhead costs, as long as the programs are successful. I don't think there's much going on, though, frankly.

The third category, I think, which is the CAEATFA activity. CAEATFA is a -- for those of you who don't know, it's a -- I won't tell you the long name, but it's under the State Treasurer. And they've been asked to take on the role of administering pilots to use private capital, to leverage private capital so we're not asking the ratepayers to become banks, and to set up a combination of the loan loss reserves, credit support, on-bill repayment mechanisms to try to attract private capital.

One of the -- there are four sectors that have those pilots. We asked CAEATFA to run each pilot for two years. They've had some challenges, both in terms of the legislative permission for budget, as well as trying to hire people on State salaries, who are able to go toe-to-toe in negotiating regulations on these kinds of things.

But they have launched the Residential Energy

Efficiency Lending Program, REEL, that provides credit support to private lenders. And they're on their way to get multi-family, small business, and medium and large size business projects going.

The IT and data transactions between lenders and intermediaries, who have to handle the money flows between the utility and the customer, and the lenders, and make sure that it's safe at every step of the way, you know, has led to some protractions on the schedule. But we're expecting to see those by early next year.

What's your sense on the ability to just scale those up?

MS. CLINTON: I think 90 percent of the work is in the initial lift.

CHAIR WEISENMILLER: Right.

MS. CLINTON: And then, it's up to the market to tell us whether or not these kinds of systems are going to help them expand their lending scale.

I think the potential to scale is infinite to the extent that property owners want to commit the capital, particularly into rental property, is hugely difficult.

CHAIR WEISENMILLER: Right.

MS. CLINTON: And as we heard today, 64 percent of the low-income households are living in rental property. And, essentially, the landlords have zero interest to put their own money in, in my opinion.

So, the question is, you have two choices. Do you have government, and ratepayers, and utilities, and federal taxpayers come in and say, don't worry, we'll pay for 100 percent of it, just open the door? Or, do we look for some more creative strategies, which is my preference, where households, and small businesses, they're already paying their utility bills, why not devote a portion of that to help pay back these investments in clean energy.

CHAIR WEISENMILLER: Yeah, I mean, that is, obviously, the question that Clean Care raises. Although, again, that may be something that's dealt with in your decision, is that, you know, of looking at the federal program to some degree of covering energy bills. And, obviously, whether it's assistance programs, why not put the money into just fixing the problem?

And so, again, part of the attraction on something like Clean Care would be if there's a way to take some of the existing subsidy and fix the problem. Now, at the same time realizing that we really have to deliver. You can't just take the 1.2 trillion, put it into something else, and discover at the end of the day there's no savings or little savings that came out it.

MS. CLINTON: You know, I would just put in context, when you think about Clean Care and the renewables that if, essentially, we're looking at about a one-third discount, and let's just make the math simple. Let's say that, at least in Northern California, for PG&E, maybe the average residential customer is paying 18 cents a kilowatt hour. So, that means the subsidy is 6 cents, but then you still get the energy.

So, the question is, can you take that 6 cents and get clean energy for 6 cents a kilowatt hour. I think the simple answer is you can get it at the generation level, but not if you have to pay for the delivery of it.

So, I think there's more -- that said, I don't want to prejudge this issue. It was proposed in the low-income proceeding. Both the PD and the APD speak to this issue and it's in a deliberative status. So, I think it's an open issue the Commission will be voting on this fall.

CHAIR WEISENMILLER: Yeah. Although, again, I'd remind everyone that sort of, actually even before the first Brown Administration, is when the CARE, or essentially, at that point more lifeline rates came up, and the political aspect of getting lifeline rates was that everyone had aspects to low-cost energy for that first year. And, I mean, there were all kinds of attempts to do mean tests, and everything else, beforehand, and just couldn't politically get it through. So, to some degree, there's the art of the practical here but, you know, in terms of how to do it.

There's been a question about longer-term funding. I forgot to ask you, how long is the PUC pending decision, how long would it cover?

MS. CLINTON: The proposed decision, as it existed when it was published --

CHAIR WEISENMILLER: Right.

MS. CLINTON: -- was to go through 2018. So, two more years. The alternate goes through 2020.

I just might remind people that the question is never about will there be funding or will there not be funding. There has been funding, consistently, since 1990, for 25 years, and it has gone up. We're now at $370 million. We were not near that 25 years ago.

What these decisions and applications are doing is saying -- are looking at the question of should we change the rules on how we spend the money. That's what these decisions are about.

So, I would say that on the margin -- I say the same thing about the main stream efficiency portfolio.

These portfolios have never been not funded. They have never seen their funding decrease, for the most part. The question is always how do we prioritize how the money is being used and spent?

CHAIR WEISENMILLER: Okay. So, you're saying, basically, it's the program deliver -- those delivering the programs are complaining that the funding uncertainty has left them high and dry at this phase, or at least struggling at this moment? Is that -- as opposed to the program are there.

MS. CLINTON: I think what they're really saying, if I understand those discussions, and I've had the discussions with folks, is really that there are two issues. It's because they don't have a contract that guarantees them funding for two years, or three years, they may have trouble filling some of their job vacancies because their employer -- their perspective candidates aren't sure if the job's going to be there in six months. So, that's certainly uncertainty about, you know, the ability to sign an employment agreement. But it's not uncertainty about will there be funding available.

The second question is some of the organizations are saying that -- and I'm not doubting this, I'm just trying to paraphrase -- it's getting more and more difficult -- they get paid on a success basis. They have to get certain completed households treated to get paid. As all these rules have come in about, well, we want three measure minimums, and we don't want you going back to the same household too soon, and they say, well, that complicates being able to find and complete jobs in a home. And so, they want the rules changed because they only get paid on a performance basis.

CHAIR WEISENMILLER: Yeah, actually, that leads to two questions. I mean, obviously, all of us love data and, at the same point, everyone who's asking for the money seems to be saying, God, can't you just simplify it, not limit it to disadvantaged -- you know, why don't you just give it to everyone in this area over -- even if you go across a utility service territory, why don't you -- why don't you simplify the rules, on the one hand, to facilitate participation.

On the other hand, how do you get the good data that you need to really show that things are working?

MS. CLINTON: So, first let me make sure that I fairly represent the alternate proposed decision.

CHAIR WEISENMILLER: Right.

MS. CLINTON: Which proposes to eliminate the three-measure minimum rule, and the go-back rule, and the caps and, instead, put an energy savings target on the whole portfolio, with some budget caps. And so, it's a different philosophy. It's let's not nickel and dime the administrative rules, but let's say bring us back this amount of savings.

CHAIR WEISENMILLER: Right.

MS. CLINTON: I think I'll just try to say this simply, the reason that these different rules have cropped up over time is, as a substitute for not having a cost-effectiveness requirement on the program. There is not a hard, fast cost-effectiveness requirement. So, all these rules have come into place to try to administratively steer money to things that are more likely to be successful, or effective, than not.

CHAIR WEISENMILLER: Right. How binding is not being able to include, you know, non-energy benefits in the cost effectiveness?

MS. CLINTON: How binding is it?

CHAIR WEISENMILLER: Yeah, I mean, yeah, that's where the common -- you know, if you look at Bill's list, or what we keep hearing is that the cost effectiveness test is too limited, looking at energy. And if we could take into account other benefits, that somehow the programs could be more expansive.

MS. CLINTON: So, number one, we have a different proceeding at the Commission that's looking at a uniform -- trying to develop a uniform cost-effectiveness test that applies to all the resource silos, solar, efficiency, demand response.

CHAIR WEISENMILLER: Right.

MS. CLINTON: And an outstanding issue in that umbrella proceeding is to look at should we have a societal cost test? And, if so, what should go into it? Should it be more than the social cost of carbon? Should there be these non-energy benefits?

So, that's an open, or will be an open issue next year, at the Commission. And most of the proceedings have been trying to defer to the umbrella proceeding to make that decision.

In the low-income proceeding, there has been a working group, working for two years, on should we have a special cost-effectiveness test for the low-income programs.

CHAIR WEISENMILLER: Right.

MS. CLINTON: And there is an ESA CET, an ESA cost effectiveness test, that's been worked on. But as you've heard from your own staff, there is not yet, in this country, agreement exactly on how to do non-energy benefit analysis and how to capture that.

That said, there will also be the public policy issue of, if something is cost effective from an energy perspective -- or, I'm sorry, let me say this the other way. Not cost effective from an energy perspective, but cost effective if you incorporate all of the societal dimensions, or values, and costs, then how do we pay for it?

Should we pay for it with electric and gas ratepayer funds or should we look to other sources of money to help pay, whether it's taxpayer funds, cap and trade funds? So, that issue will always be there.

CHAIR WEISENMILLER: Yeah, but do you have a sense, you know, at this stage, you know, I guess part of the answer is you have a stack of money which is unspent and so, if you had a broader criteria would that -- is that the problem on the 400 or --

MS. CLINTON: Personally, I think if you look at the data, you would see that, to be quite general, the reason so much of the funding is unspent is because we haven't figured out how to serve the multi-family market, which is where 40 percent of all of our ESA households live. So, it should not be surprising that the money --

CHAIR WEISENMILLER: Right.

MS. CLINTON: If you build up the money on the basis of X dollars per household, and then 40 percent are not participating, it should not be surprising that money is going to accrue.

CHAIR WEISENMILLER: Okay. The other common issue had been this fact that, I’m assuming, different legislation, different programs set different criteria. And, obviously, as we try to figure out what we want to try to do going forward, presumably, that’s a pretty heavy lift to really go in and say, okay, let’s align all the criteria across all the State and Federal programs.

Do you have a sense of how heavy a lift or what the benefits would be of doing that?

MS. CLINTON: I would say, from my years of working in public policy, that you have to start with, well, what are the Federal rules? And do you have any chance of a snowball in the sub ground of being able to change the Federal rules, and so that’s a starting point.

Some people mentioned -- so, first of all, the PUC’s 200 percent of poverty level is higher than I believe some of the Federal rules that apply to CSD.

Other people have mentioned average median income in the housing world. But that’s in more the housing mortgage subsidy world, it’s not in the Federal energy world.

So, I’m sorry for going on.

CHAIR WEISENMILLER: No. Well, I've been asking you a lot of questions and bouncing around on the questions, so there's going to be more.

MS. CLINTON: I think -- personally, I think it would be wonderful if we could arrive at some workable, common definitions. Not just based on income, but the Legislature keeps throwing disadvantaged community words, and phrases, at us, without good definitions. And we have CalEnviroScreen. We may have sort of other layers of a direction or mandate.

And if the one -- if I could -- this is a great segue. I had four or five points I just wanted to make.

CHAIR WEISENMILLER: Right, sure.

MS. CLINTON: The first one is that this study, that you've been asked to do, is a very important opportunity to tee up the issue, that we would be a lot better off in California if we could come up with some common definitions or metrics for how and when we offer, other than the normal financial support, to get clean energy solutions in place.

So, I think it's an incredible opportunity for this study to make a plea for coherence.

Secondly, I also think that this study could do a tremendous public service by suggesting what should the metrics be for determining need, and when the State should see that it has a special role to play. So, whether that's measured as energy burden, like the Feds like to look at energy burden. You could look at other metrics.

But even in the -- I was just looking, while we were talking, one of the studies that your folks used for data on characterizing the profile is from the 2013 Low-Income Needs Assessment that the PUC requires be done in the IOU areas.

And there are two tables, by two different sources, that show energy burden under different segments, and they don't even agree on the sources, it's not your staff, on the single-family renter burden percentage.

But what I will say, and this is the important point, as this is measured as a sort of percentage of income devoted to energy costs, just in these two tables, which are focused on low income, there's a range where one segment pays as much as 16 and a half percent of its income. And at the bottom end, one segment pays only 5 and a half percent. Are they all equally meritorious?

I think this would be an interesting public policy question to take on how much burden is too much, or where should we target? Should we target at the top and move down? But I think it would provide a tremendous public service if, perhaps, this study could address that.

But the third point was, I've already made earlier, but just to underscore it, the biggest barrier that we're talking about here, today, is the fact that 64 percent of these households live in rental income and don't own the building.

CHAIR WEISENMILLER: Right.

MS. CLINTON: And can't make mortgage or loan commitments. And may not have landlords who see that it's in his or her interest to undertake those kinds of capital obligations.

So, if we do nothing else, the study should, I think, tackle the question of how do we deal with rental property? Because, as I think you suggested, maybe there were four solutions --

CHAIR WEISENMILLER: Right.

MS. CLINTON: -- or let me say, four baskets of areas where we should focus, and I think how do we deal with rental property has to be one of those questions.

Fourth is, with all this profile information I think it's really important to put an order of magnitude on the scale of investment that we're talking about. And I just did some rough numbers, while I was standing here. Let's just assume that there are 5 million households who are low-income, in California. That's the number that we use at the PUC. Given that we -- you know, we have multiple utilities. But if we're counting PG&E in Sacramento, then that covers SMUD. So, if we're counting the SoCal Gas Company in Los Angeles, it covers LADWP.

And as of right now, maybe we're spending $2,000 per household with the Efficiency Low-Income Program. Well, 5 million times $2,000 is $10 billion of investment, and not counting overhead, and marketing, and blah, blah.

If you want to take -- do deeper efficiency and put in $5,000 per home, which is certainly imaginable, then we're at $20 billion.

If you want to take that to $10,000 per home, in order to put in some sort of solar system, or share of a solar system, then we're at $40 billion.

I think we need to pay attention to what's the order of magnitude here, and what should that tell us about what kinds of solutions we need to be looking at. And perhaps we need to start looking at alternatives to grants.

CHAIR WEISENMILLER: Uh-hum.

MS. CLINTON: Because heretofore, all the programs we've been talking about are 100 percent grants.

And the last point I wanted to make, I've already made, but again in my summation, is the ESA Program, today, is not cost effective. It never has been. It does balance all these non-energy benefits of comfort, and health, and security, and indoor air quality. But it has to take into consideration what kinds of measures or expenditures are allowable, even though they're not cost effective. You know, how low do you go?

And one of the thresholds that was established back in 2008, when Dian Grueneich was a Commissioner, was what if we set a threshold that it has to have a 0.25 benefit cost ratio in order to be paid for under ESA?

And so, that was sort of established for when we decide about adding new stuff, you know, into the mix. And I just put that out there because that's where the conversation is right now. We're not talking about 1.0. We're talking about can we do better than 0.25.

CHAIR WEISENMILLER: Okay. Let me ask you a couple questions. One of them is, there's been a -- I came out of the discussion, you know, very interested in sort of expanding SASH and MASH, you know, which at this point is implemented by Grid Alternatives. But, again, you know, as anything, competition always helps.

But what’s limiting that now, if anything?

MS. CLINTON: Well, first of all, SASH is administered by Grid Alternatives, but not MASH.

CHAIR WEISENMILLER: Okay.

MS. CLINTON: MASH has always been in the competitive, private solar.

CHAIR WEISENMILLER: It is. Okay, good.

MS. CLINTON: I think what you’re saying is the idea of a single, nonprofit, statewide administrator, who may be as clever and, you know, gets a lot of volunteer labor --

CHAIR WEISENMILLER: Right.

MS. CLINTON: -- and makes money go far, right.

CHAIR WEISENMILLER: Right.

MS. CLINTON: Okay. The ESA Program, today, off the top of my head, I would say 75 percent of the work is done by nonprofit, community-based organizations.

CHAIR WEISENMILLER: Right.

MS. CLINTON: It’s not done by private contractors. It’s done by nonprofit, community-based organizations.

The CSD Program is done 100 percent by CBOs, per Federal statute.

In Southern California, the same CBOs deliver both the utility ESA Program and the CSD Programs. So, we have the same entities walking the streets, doing the work.

I think the question you may be getting at is, well, how efficient is it to, you know, have 20, or 30 CBOs each, you know, delivering a program in their community?

And I haven't looked into the economics of that. I think, as you would imagine, there's a tradeoff between local employment, because many of these organizations started out as job creation programs, serving local communities, providing opportunities for a green job, and doing the vetting and qualification for CARE, and other health and, you know, family nutrition programs. And, you know, they're not set up as a single-purpose entity, whose job is to figure out how to put solar PV on roofs as efficiently as possible.

That said, I think it's an interesting public policy question to have is, is there some other delivery model, or we might be able to get more bang for the buck. I'm just pointing out the historic contribution.

CHAIR WEISENMILLER: No, that's good. I mean, I'm just sort of getting parts, there's been lots of -- one of the purposes is to try to expand renewables, which I assume is either rooftop or community. You know, people don't own their roofs, they're low income, they probably have bad credit history, they don't want to spend more than they're not spending, so, even if an investment might reduce things over the longer term. So, it's like how realistically are you going to tackle that market?

And it seems like expanding those programs is a better shot than some of the other options on how to get solar out.

I guess the other thing I wanted to ask you about was just, you know, when we talk about how to get contract dollars out, you know, the PUC has a great program to really have contract dollars go to small businesses to, you know, diversity. And again, certainly, it doesn't have the same limitations as the State on contracting, but I don't know if there's ways we might think of expanding that elsewhere.

I mean, the Don Vial Institute, just today, came out with some suggestions, which we obviously haven't folded in. But again, trying to figure out how to get more jobs into, you know, disadvantaged community areas. But at least at this point, I don't know how much -- I know the utility programs do a good job of targeting minorities. I don't know how much they try to target disadvantaged communities as part of that. Do you know?

Well, like you folks, number one, the PUC requires all of the regulated utilities to do in-language communication in half-a-dozen or more languages.

When it comes to contracting, first of all, the general order that was on the 156, I think is the number, that requires the Investor-Owned Utilities, in their own contracting, to achieve diversity goals in contracting, and to report back on that. So, there's a report back and tracking process, and the Commission actually holds an annual meeting where very senior executives, from every regulated utility, comes and reports on how well they're doing, all along with their peers. So, there's some motivation there to have a good story.

But I will say, in terms of the contracting for ESA, and for the SASH Program through Grid Alternatives, those programs are hiring locally. So, you can be assured that they're hiring people from lower economic census districts, and language skills to be effective in the communities.

I think the question is how do we get more of that from the private sector into these mechanisms? And if the State agency is doing the direct procurement, it's much tougher. But I think if you have external hub, or primes, or lead administrators, or whatever terminology you want to use, it's probably easier to set some targets and have them reported back on.

And before I forget, I believe the utilities are required, now, I don't remember if it's in the mainstream efficiency programs or the low-income efficiency programs, to report on the extent to which certain workforce profile -- let me just turn to Mary O'Drain.

Can you -- do you happen to know what I'm talking about?

MS. O'DRAIN: Yeah, I think this --

MS. CLINTON: Maybe you could answer the question on -- well, add to my confusion, then.

MS. O'DRAIN: I think it's the mainstream energy efficiency programs that have to report out on this. And I don't know too much more about it, than that.

MS. CLINTON: Okay.

MR. PENNINGTON: Can you identify yourself?

MS. O'DRAIN: Mary O'Drain, PG&E, Low-Income Programs.

CHAIR WEISENMILLER: Okay, thanks.

MS. CLINTON: I just promise to get an answer to that.

CHAIR WEISENMILLER: No, that's fine. Before you step away, I was going to look to my other folks on the dais to see if they -- you have specific questions for Jeanne? I've got some summary stuff after that, but and then, certainly, but for Jeanne and they, obviously, everyone has their chance for a summary, too.

Okay, so, Jeanne, you're free. Okay.

(Laughter)

CHAIR WEISENMILLER: So, let me do some very brief comments and then go to the rest of the dais.

Well, first, yeah, I mean, again, thinking about trying to structure, somewhat, the barriers, it seems like our goals should be, again, essential energy services affordable for all Californians from clean. I mean, obviously, looking at the issues, rented housing is like the big -- you know, it's the elephant in the room and it's been the elephant in the room for 40 years. So, trying to figure out how to deal with that.

Low-income, I mean even if you own your own room, you know, if you're low-income, you have a bad credit history, you know, no money's going to go there, really. So, again, how do we address that issue?

And it seems part of the issues that we're really hearing from the communities is that they're looking for a trusted and acceptable source of information. You know, certainly much more community organization, you know, to really provide the information on their options. And, you know, basically, part of the things that we're hearing is people want access to jobs. And, you know, again, when you look at the Don Vial report, some of it is access to high quality jobs, but certainly jobs.

And then, you know, certainly, Esteban pointed out people want access to contracts. You know, having, and we can go a long time on that, but having been a small business owner for 20 some years, you know, it's always the fun part when you start out and everyone gives you the statistics that 50 or 90 percent of all small businesses go bankrupt in the first two years. So, you know, but the reality is it's not easy being a small business.

And that, yeah, it's like how do you really -- particularly, you know, how do you develop the network, and the skills? And part of it is on the contracting, you know, I probably would be trying to figure out what are the top ten State agencies putting out money? You know, the one thing you learn, if you're trying to survive as a small business, is you better focus your efforts on marketing where the success can be. You don't want to go chasing, you know, a lot of proposals which go nowhere. So, you know, again, if people are looking at, say, High Speed Rail, an area where a lot of money's going to go, that that would be an opportunity.

That, you know, some small State agency that has, you know, maybe, fill-in-the-blanks, 50, you know, maybe a million dollars a year, I mean, go for the million-dollar project.

But, certainly, well, I don't know, did the Small Business Administration have anything useful in their website, in this area?

MR. GUERRERO: In terms of data in general?

CHAIR WEISENMILLER: Just options for minority, you know, small businesses to really move forward.

MR. GUERRERO: I believe so, yes.

CHAIR WEISENMILLER: I mean, and again, if there's a way to try to -- if we can ever get to having that sort of one-stop-shopping, it would seem like for one stop for a small business, one thing would be to try to tie into the Small Business Administration resources, that might help them.

MR. GUERRERO: Okay.

CHAIR WEISENMILLER: Okay, Commissioner.

COMMISSIONER HOCHSCHILD: Thank you, Mr. Chair. Yeah, so just to return to the questions that are before us here, that have been proposed by staff, are there important areas that are not identified in the draft study? I would say, no, I think it's very comprehensively done.

Are there important solutions that are not identified in the study? I think we've also covered most of the solutions.

In terms of specific priorities, really, three things to me come to the surface. And I want to apologize for being repetitive here, we've talked about community solar at great length, in a number of settings, but just to recap. You know, California has done a great job on utility-scale renewables and on much of the DG arena. But we are performing poorly on community solar.

We don't have what New York, and Massachusetts, and Colorado, and Maryland sort of have, among other states. And the loss there is really that, if you look at the cost of these projects, so let's call it utility-scale solar, today, is in the buck 25-a-watt range, residential is in the four bucks-a-watt range.

Community solar would be in the, you know 2 dollars-a-watt ballpark. So, the opportunity for low-income customers to buy into share of a much lower-priced project, and then to have a jobs training opportunity attached to that is really a great opportunity for the State, because you're getting clean energy. And I think it could be a win for the utilities, as well, if the RPS credits, you know, were available. So, I think there's a win/win there and I want to thank Jordan for digging into that.

The second thing that jumped out to me, when we're talking about the -- and by the way, let me just add one bit of good news, just in real time, the Governor just signed our trailer bill, which gives the Energy Commission another $112 million for our New Solar Homes Program, which is going to include a low-income element. So, that's very good progress. Yeah, thank you, Bob. So, that's been many years in the making, so we're relieved by that.

But we've talked also, at great length, about appliance rebates. And one thing I just wanted to highlight is an opportunity that goes back to the drought, which is appliance rebates for appliances that use water, dishwashers and washing machines, where you can reduce electricity bills, but also water usage.

And this was an idea, you know, the Energy Commission brought forward a few years ago, and it has not gotten fully funded. But I think to the extent we're dealing with that in this report, we should come back to it, because there is a win/win there that would help with the drought, and increased rebates for water-using appliances, as well.

And then, finally, this came up, you know, at both of the workshops and the community meetings that I attended, in Oakland and in L.A., just the need for a sort of energy concierge or ombudsman to make information available and accessible on the sort of, you know, fruit cup of different low-income programs that we have operating around the State. It's just not clear to everybody what's already available. We're spending a huge amount of money, as Jeanne pointed out, and I think there's a communication need there, and that came up very clearly.

So, those are the top three that jumped out. But let me just, also, thank again staff for working, really, overtime on this project. It's, I think, a 100-page report, or it was, I know it got whittled down a little bit. Jordan, you, in particular, for putting in long hours.

COMMISSIONER SCOTT: I would just add, I appreciated Jeanne's comment on putting an order of magnitude or scale on what we're talking about. I think that is incredibly helpful and it helps us put some of the -- it helps us put both the barriers and the potential solutions into some context, and how to, you know, really think those through.

When I think about this, I do think it's important for us to begin prioritizing some of the lenses that I might be looking through, if I were prioritizing either barriers or solutions, or what are some of the low-hanging fruit. I mean, is there an obvious low-hanging fruit out there, either on the barrier side or on the solution side, that we could just go ahead and put into place?

In that same respect, you know, is there something out there that's no regrets, a no-regrets strategy that we could just get going on right away?

I think about, in prioritizing, another way to look at it is what would benefit the most customers. So, if you're removing a barrier, what barrier is going to help benefit -- the removal of that barrier helps to benefit the most customers, or the implementation of that solution will help benefit the most customers.

Or, on the flip side, you know, what are the strategies that will help get us the most benefits?

And I recognize, from Jeanne's comments, and we've talked about this a little bit, as well, the benefits aren't necessarily, you know, dollar-per-energy-efficiency, right, and so that benefits thing is a little bit broader in terms of what we need to look at there.

But those are some of the things that I would like for us to start thinking about, as we kind of prioritize this list of barriers and solutions that we have, currently, in the draft.

MR. EARLY: So, as we start to think about the process of, you know, adding more specificity in the recommendations, in the study, I can at least mention a couple of broad areas that this office is particularly keen on.

And so, first, obviously, this has been mentioned, but working with community-based organizations is really key currently, in the delivery of services. And I think it's just worth reiterating that we need to ensure that that continues to be the case.

In the public engagement, that our Public Adviser, Alana Mathews, very excellently set up, that was very, very clear, that we heard from community members that it's very key that these services are delivered by members of their community, and they get all the ancillary benefits with that, as well.

Another thing we're particularly interested in trying to figure out is to what extent we can use building owners, or treat them, rather, as partners.

And so, this gets to the very large issue, which Jeanne mentioned, which is the big nut that we need to crack here is how to deal with rental housing. So, you know, can we come up with strategies for aggressive engagement with building owners, maybe starting with receptive building owners, and building upon success in those pilots.

I'll also say that cities and counties have a real role to play here, so we should ensure that we work with them as partners in implementation and outreach.

On AB 802, our statewide benchmarking program, it was brought up, I believe by Bill, well, referencing previous comments, the ability to use data from that. But also, moreover, we'd like to see if it would be possible to leverage the program to point building owners in disadvantaged communities, and low-income areas, toward these programs and services.

Obviously, data is our friend. You know, we should continue to us it to make data-driven decisions. That point has been honed again, and again, and again.

COMMISSIONER HOCHSCHILD: You're channeling your boss, Commissioner McAllister, very well, yes.

MR. EARLY: Thank you. Also, I think also it's important to look elsewhere. You know, certainly, California is innovating on this space, but there are other areas out there that are solving or looking to solve these issues. So, for example, you know, we could look to the Elevate Energy Model in Michigan, providing specialty service in an integrated fashion.

You know, potentially, the CEC and the PUC could consider joining with the Department of Energy's Low-Income Accelerator Program.

So, there are opportunities for us to learn outside, as well.

And finally, and perhaps this is not necessary, but we are curious as to what extent more research is needed to understand the segmentation within the low-income space. So, do we really understand the distinctions out there between large and small multi-family, you know, rented versus owner occupied, and master metered versus individually metered. So that then we can tailor delivery of services in a way that really reflects the actual situation and that would be ideal.

MR. DOUGHTY: Chair Weisenmiller and Commissioners, thank you for including the ISO on the dais today. I learned a lot.

And the two words that kind of encapsulate my time here today is exhaustive to staff, an exhaustive study. Impressive, deep.

And, Jeanne, thank you for your commentary, as well, that was a great addition to what the report is showing.

The second word is exhausting. I put myself in the minds of many in this audience and ask what can be done from here forward. And I recognize that we are here, now, trying to take a journey from a series of problem statements to solution sets. And, it's not easy.

We heard about language barriers, finance barriers, property ownership, cultural, information barriers, the list went on. Words were said about an ombudsman person, and prioritizing low-hanging fruit. I adhere to all of those.

And, when I started my remarks today, I mentioned that this has to be accessible. People -- it comes down to people being able to take advantage of programs. It's a significant effort and I don't want to downplay it, but I do think the conversation today did a lot to frame the issues before us, and to lay the groundwork for solutions that can be meaningful.

So, thank you, again, for including us today.

CHAIR WEISENMILLER: Okay, let's go on to public comment. First, Greenlining.

MR. SANCHEZ: Thank you very much. My name is

Alvaro Sanchez. I'm the Director of Environmental Equity at the Greenlining Institute. And I want to thank the Commission and, obviously, staff, for putting together this report. We've been working really hard and in coordination with Commission on this report. And we're really excited about seeing the first draft. And I have to admit, I haven't gone through the whole document, yet. I will be going through it soon. But it's a good first start.

I think I want to hone in, on my comments, on a couple of things that were mentioned in terms of moving forward, really prioritizing some of the strategies that are found within the report.

I couldn't agree more in terms of I think what we're trying to achieve here is to increase accessibility to these programs, to the communities that we're working with. For a variety of reasons, and you heard a lot of them today, accessibility continues to be the biggest barrier, I would say, in terms of finding information, information in the appropriate language, and in the language that folks can really comprehend and understand, from trusted sources.

So, all of that is not going to be easy. But I think that, you know, if, at the end of the day with this report, we're able to really come up with some --

it doesn’t have to be a comprehensive list of strategies, but I think actionable items that we can do to increase accessibility, I’m going to think that we were really successful in this regard.

For the other piece, I think that, again, multi-family seems to be a big issue here. And perhaps, and one that I know has gotten a lot of attention in terms of research. But that might be one of the ones that we can think about future research on this regard.

I really wanted the staff to think about phasing in terms of the strategies that we put forth. What are the immediate action items that we can put forth? What are the intermediate action items that we can put forward? And which ones are the future items that we need more search on, that we just cannot address with this report?

Because I think that one year worth of, you know, research on this is great, but more is probably needed.

And I do want to emphasize needing to get out of the prison where we are only funding this through public funding or ratepayer funding. We do have to figure out how to make private financing available for these types of projects in order to really have market transformation.

We work a lot with the electric vehicle vouchers, through the Air Resources Board, and I know one of the things that comes up often there is when are we going to be able to stop incentivizing the purchase of electric vehicles from a public financing point of view, so that market can just kind of, you know, chug along by itself?

I think at some point those same questions might start getting asked about this, right, when are we going to be able to move away from financing these types of projects? And I don't think we're close, we're not even close, yet. But I do want us to focus on exploring those options more, and figuring out how do we bring in more private capital into this market.

As Greenlining, an organization that has been focused on attracting private financing to disadvantaged communities, we think that there are available options available, like community redevelopment investment dollars, like community benefit dollars that hospitals have to invest in disadvantaged communities. That we can think about, more creatively, how to couple with those types of funding sources in order to maximize the scarce public dollars that we have.

So, thank you very much. I look forward to continuing to work with everyone. And, good job on the first draft.

CHAIR WEISENMILLER: Great, thank you. Thanks a lot.

Holmes Hummel. Holmes, you've called in a couple times and we're honored to have you here, present in person.

DR. HUMMEL: Good afternoon. It's a privilege to be here. My name is Holmes Hummel. I'm the Principal and Founder of Clean Energy Works. I also want to commend the Commission for leading the study and staff for turning it around so quickly, between the avalanche of comments that came in and the last deadline.

I wanted to contribute to the public comment this afternoon to focus attention on scale. I actually did have a chance to read all 143 pages of the draft. And one thing that struck me, actually, was already brought to the conversation, was that it's exhaustive, it's exhausting, and many of the ideas there are actually beyond the hundredth of a percent of a decimal in terms of their scale of impact on the actual problem.

So, as far as the actual product goes, for the final report, focusing attention on things that have billion dollar potential in this economy make sense for an economy that has a multi-billion dollar clean energy sector, one-third of which is eligible for low-income programs.

Thinking on a much larger scale will also bring us to the point, that I can underscore from Greenlining, about the significance of using private sector capital. Because some of the barriers that we heard about, even when addressed with the solutions in the draft, leave three show stoppers in place, the limits, the public funding streams, the split incentives that strand renters, and the challenges to marketing debt to sub-prime borrowers.

Those three things are unmoved by most of the solutions that we find in the draft. So, I would like to bring, as a contribution, a response to the question that Chairman Weisenmiller raised at the end of the last workshop, where he asked, “How do we scale by a factor of 10, 100, 1,000?”

I think that we have seen, through the pay-as-you-save on systems in Arkansas, Kansas, Kentucky and North Carolina, utilities that are serving persistent poverty areas, where they’re not facing eligibility barriers, they’re facing majority uptake, meaning more than 50 percent of the customers opt in to the opportunity. And the scale of the investments per household is more than double what’s available in

California from ESA, without ESA-sized subsidies.

I think it's an encouraging thing that Commissioner McAllister, as represented by staff, encouraging a look outside the State for solutions. And I stand ready to support the staff in the continued research and the development of a final report.

Thank you so much.

CHAIR WEISENMILLER: Thank you.

Okay, Low Income Oversight Board.

MS. MATHEWS: We're now turning to WebEx. I believe that comment that you have is from Robert Castaneda.

CHAIR WEISENMILLER: Okay.

MS. MATHEWS: So, if there are -- if you want to see if there are any more public comments in the room?

CHAIR WEISENMILLER: Let's first start, is there anyone else in this room who has a public comment?

Okay, so let's turn to WebEx.

MR. CASTANEDA: Okay, this is Robert Castaneda.

CHAIR WEISENMILLER: Please, go ahead.

MR. CASTANEDA: Okay, thank you. Yeah, I had a couple of points of clarification that I wanted to make. First of all, and before I do that, let me see this is a fabulous discussion today. I kind of learned a lot in terms of what we're looking at and, frankly, what the opportunities are to work better together.

One of the things I had heard, earlier in the presentation, was a statewide organization, perhaps to work, you k now, with communities and other sorts of stakeholders that are critical to the program, and government, in connection with what it is that we're trying to implement based on this planning process.

And let me offer up this, as food for thought, so to speak, just some thinking points. The Low Income Oversight Board, by statute, has the ability to create a technical advisory committee, which would be made up of other State agencies. Currently, that being the case, apparently there was some real vision by Legislators, back in the day, that had this inclusion in working, you know, outside of the constraint of CPUC or other State agencies, based on expanding what they saw was a renewable energy industry.

You know, having said that, you know, we're in the process of kind of re-drafting some minor points within the authorizing statute, within the LIOB, to allow us to expand activities. So, I would put that on your radar screen as something that we would offer up, in terms of helping down the road, as you see fit.

The other is, I think as Jeanne has articulated, you know, we have two decisions to be worked out through deliberative hearings by the CPUC, the proposed decision and the alternate proposed decision.

In my view, the proposed decision is a reasonable document, but it pretty much leaves us where we're at, now.

The alternative proposed decision is much more visionary. It kind of breaks down the barriers of two elements that we've seem as somewhat restrictive, which are to go back -- and let me -- the eliminating of the go-back real. Let me explain to folks, that may not know what that term means. In other words, technology within the energy efficiency industry, on appliances alone, has changed dramatically over the last five years.

One of the things that we had had, encumbent within the original decision authorizing the Energy Savings Assistance account, the ESA Program, was a 10-year rule where we couldn't go back to that home, that same home, again, over the course of ten years.

Well, there's a couple of issues that kind of impact that. First of all, in low-income communities and housing, I'm not saying people are overly transient, but you don't necessarily have the same household in the course of 10, or maybe even 5 years, that you see, you know, certainly, within other sorts of more affluent communities in California.

The other issue that we see as a benefit to low-income communities, if we go back, is the ability to address the penetration rule -- or, the penetration percentages, excuse me.

What I'm saying is, is what we have through, you know, analysis, a willingness to participate. And we have all different sorts of inputs in terms of what the actual percentages are for people that would be willing to participate in the program and folks that aren't.

You know, the simple logic that I have, and I think it's shared by my Board, is the fact that the more we have to offer households in terms of reducing energy burden, and putting benefit on the table in dealing with, and I know that one of the presenters mentioned it earlier, the cost-effectiveness statute within the ESA Program. But that's only partly true.

We also have what we call is the Health, Comfort and Safety Standard that we need to meet. So, in other words, when we're allowed to go back into the home, we can replace inefficient lighting with a cutting edge LED. We can go into the home and replace inefficient air conditioning, especially in areas in the Central Valley, with appliances that are much more efficient. When we can go into the home and really sort of address a lot of the weatherization issues that are just common sense approaches to energy efficiency and access, they create someone -- I would call it a dilemma, but it’s somewhat of a conundrum when it comes to cost effectiveness.

You know, obviously, you can envision changing an appliance and seeing an impact on your bill within the next billing cycle, if you use that appliance.

But weatherization, insulation, window replacement, things of this nature, it’s not so much of a sprint, it’s more a marathon. The Department of Energy sees it as a significant enhancement to energy efficiencies over the long run.

So, I think that there are a lot of things that are going to be happening, being debated and being deliberating within, you know, our final decision. Our hope is that we have a decision sooner, as opposed to later, because there has been real impact within the service and delivery network, based on what we call is this interim period of bridge funding.

In other words, budgets have been reduced, security in connection with long-term stability within the program is seen by some as somewhat shaky. Contractors have left the program. I doubt very seriously if many of them will come back. They’ve lost employees, so on and so forth.

So, our hope is that basically we get a good decision, we get an appropriate decision, and it happens soon.

The other issue is, in terms of economic opportunities going into disadvantaged communities. The CSD is about to embark on what I consider to be an historic procurement in connection with its expenditures in low-income communities with greenhouse gas programs that would clearly deliver a cleaner environment within impacted areas, as designated by the State of California.

What's interesting is that it provides a unique opportunity, and using existing workforce, that we still have within ESA, which is IOU-driven, and collaborate it with GHG.

One of the issues that we've seen with this collaboration is the need for training. For contractors who are out there and have been working successfully with IOU programs for years, many of these same contractors had not been working with CSD, State or Federal Department of Energy Programs.

So, clearly, we're needing to see the ability to go out there and train those same set of contractors in all of the programs, and integrate the eligibility application, verification processes, as well.

Having said that, we touched a little bit on the rollover, the carryover funds within the ESA Program. There are additional rollover funds within the Workforce Education and Training Program budgets that the utilities have for ESA, as well. CSD and, frankly, this effort that I've just described, could use that money.

So, one of the things that we're hoping to see, is CSD approach the utilities in a collaborative manner, and do an integration project with the Workforce Education and Training, targeting service providers, contractors at a community level.

One of the things that I've been doing, for about the last year and a half, is attending IOU strategic planning sessions on WECC. They have a significant investment in innovation and training centers across the State. Unfortunately, most of those centers are located in urban areas, and are far removed from any of the communities that we're looking to service.

But they have, and again, my hat's off to the utilities, they recognized the need to collaborate and to integrate, more, with local service providers in disadvantaged communities that may be somewhat remote.

So, we have these opportunities. We have this dialogue happening, you know, through the ESA Program, through CSD, with their new procurement.

And one of the things that I really see as kind of necessary here is for this particular action plan, in working with the CEC, for us to kind of come together and agree on what we can do. And I think Greenlining comments were spot on, there's some things that we can do right now, certainly within the multi-family housing space.

One of the things that I've noticed is that, yes, there's a significant population, that's growing, within the low-income community that is occupying multi-family housing. Much of that housing is pre-1979. The reality is, is that a good percentage of that housing is on single meter.

There is a growing element within the housing stock, that I've just described, which are not-for-profit group living facilities, that are designated by the Secretary of State, which is an interesting hybrid between a private investment entity and a not-for-profit 501(c)(3).

So, the utilities are now working with the CPUC. I know that I've directed my Board to look at eligibility standards that are consistent across the State of California, for this deed-restricted, not-for-profit, group living facility populations to receive not only CARE, but ESA Program services.

And so, having said that, we know, because the rents are capped, that the energy burden, to a certain degree, is reduced. But the benefit will primarily, in my opinion, go to the residents simply because one of the mandates, in terms of having this facility as not-for-profit, is to provide an element of social services there, at the location.

So, there's a way to kind of work out the property owner agreement, in connection with ESA services, to go ahead and go into these facilities where we see the need as being -- as being existent, but also the benefit being great in connection with energy, energy savings, with simple retrofits.

So, having said that, you know, again, I just want to thank you for the time. There's probably much more that I could say, but this is not the appropriate time to say it. But I will offer up, you know, our Board is meeting on the 22nd of this month. We meet quarterly every year. We have a subcommittee process and are about to embark on the expansion of the LIOB through the technical advisory committee.

And so, I would extend an invitation for the Energy Commission to be part of that. For certain, also, stakeholders within this encumbent process to also be part of that, and we'll see what we can do, together, to kind of move it all forward. Thanks.

CHAIR WEISENMILLER: Thank you.

How about the Center for Sustainable Energy, Stephanie.

MS. WANG: Hi, can you hear me?

CHAIR WEISENMILLER: Yes.

MS. WANG: Great. Hi, Stephanie Wang --

CHAIR WEISENMILLER: Actually, there's a lot of static. I don't know if it's you or us.

MS. WANG: Is there still a lot of static?

CHAIR WEISENMILLER: Yeah, are you calling from a landline or from a cell phone?

MS. WANG: May I go next? I will switch lines and call from another line.

CHAIR WEISENMILLER: Okay, yeah. I'll tell you what, why don't I ask our folks to reach out to you. Why don't we go on to Brightline Defense, first, and then come back to you. And, hopefully, by then, we can resolve the static question. Otherwise, we'll just struggle through it. Okay.

MS. MATHEWS: I believe the next commenter is Eddie Ahn.

CHAIR WEISENMILLER: Yes, Eddie Ahn, Brightline

Defense.

MR. AHN: Yes, hello.

CHAIR WEISENMILLER: Please, why don't you go forward.

Michael, could someone call Stephanie and just see if we can get a better line?

Please, go forward, Eddie.

MR. AHN: Yes, is the reception clear?

CHAIR WEISENMILLER: Yeah, it's great.

MR. AHN: Great. Hi, Eddie Ahn, Executive Director of Brightline. And really appreciative of Commissioner Hochschild's efforts to plug us in, as well as his Chief of Staff, Emilio Camacho.

We've been generally very appreciative of the California Energy Commission's efforts to engage our communities, particularly in San Francisco's most disadvantaged communities. Just last week, we had a Sustainability Summer, where Adam Gottlieb, Tammy Hoss, and Lorraine Gonzalez, among others, came out. And then, of course, we had Alana Mathews, at the Public Adviser's Office, who gave a presentation of SB 350.

We've parsed the report at this point. We have three overall areas that we wanted to comment on. First is workforce.

The report gets a number of things right, which is the coordination of local CBOs, plus coordination with State Workforce Development Agencies, such as the EDD Workforce Development Board, and the Labor Workforce Development Agency.

I'm picking up on a comment, also, earlier made by Brian Early, that a heavier emphasis on data is generally needed. I think this particularly applies to workforce. When we look at local hiring, targeted hiring, and career pathways, which was also mentioned earlier by the Commission, it's just important to note what data is collected, the types of data points that should be looked at for workforce, as well as who collects the data. Which agency is responsible, at the end of the day, for making sure that accountable results are created and that the jobs narrative, behind the clean energy sector.

And when we talked about, earlier, a just transition to the economy, to a new, clean economy, that we are able to tell an appropriate jobs narrative is really important.

The second major point is around financing and just noting, briefly, that the draft study, again, gets a number of things correct. Everything from ESA Program funding and stability leading to a loss of jobs, to even earlier in the workshop that was mentioned underwriting of PACE financing, with the loan loss reserve, is an excellent way of ensuring that access to clean energy technologies can be guaranteed for low-income and disadvantaged communities.

Also wanted to plus a comment made earlier, by Alvaro Sanchez, of Greenlining, about how private financing is also key to seek for low-income, disadvantaged communities.

The final point is around the definition of disadvantaged communities, itself, which is noted briefly in the report, but it warrants more explanation, I think, for the purpose of this workshop.

The CPUC, itself, in early January, identified problems with the 2.0 version of the CalEnviroScreen as not inclusive enough, particularly of rural communities, low-income communities, and certain urban communities, such as Baby Hunters Point.

And we've looked CalEnviroScreen 3.0, and from an initial reading it does include, now, Baby Hunters Point. But overall, it seems like Bay Area Census tracts go down, actually, under the tool.

So, we look forward to collaborating with other advocates, service providers, to figure out how to create the best version of this tool. We've always believed that it's important to identify environmental justice communities, but we also wanted to make sure it's a balanced tool that includes communities most in need across the State, and that no community gets left behind, and all the resourcing, and targeting of environmental programs that are involved.

So, again, thanks for your time and appreciate, very much, the efforts of the California Energy Commission to engage our communities.

CHAIR WEISENMILLER: Yeah, thank you. Thanks for calling in. And I was going to say, and I know Secretary Rodriguez is looking for broad participation and suggestions in the EnviroScreen update.

Let's go on, now, to the Center, and see if we can hear Stephanie.

MS. WANG: Hi, this is Steph Wang, Stephanie Wang from the Center for Sustainable Energy.

CHAIR WEISENMILLER: Ah, much better, we can actually hear you, now. Thanks. Sorry. Let's go forward.

MS. WANG: Okay, terrific. Thanks for your patience.

So, thank you so much for this thorough draft report and the opportunity to comment on the kind of solutions this report should prioritize and recommend.

It's really been a pleasure to work with

Commission staff on this report, and we're excited by how well it reflects the input of stakeholders and communities.

Center for Sustainable Energy is a nonprofit organization. Our work includes administering the MASH and the CSI Solar Thermal Programs in SDG&E territory. And we've also administered low-income outreach to low-income and disadvantaged communities for the Clean Vehicle Rebate Project, and the Energy Upgrade California Marketing Education Outreach Program.

And we're also, currently, researching social, cultural barriers and solutions for California education outreach under an EPIC grant.

So, when we think about what solutions to prioritize, we've been thinking about how this report is really crucial because it gives us the opportunity to highlight market transformation barriers and solutions across all the energy efficiency and renewables programs, agencies, budgets, and technologies.

And this is really important because, usually, we have opportunities to comment on specific programs, or just specific agencies. And here, you know, like Greenlining, we're thinking about how do we develop sustainable markets? And we think this requires overarching strategies.

And to keep it short, but specific, I'm going to just provide two examples, and I'll provide more examples in my comments.

So, the first one is the draft report showed a lot of consensus that we need better program integration because programs and budgets are too siloed, and the eligibility requirements are conflicting. And so, we think that it's really important that we focus on providing one-stop services that empower homeowners, renters, multi-family property owners to easily take action across all the low-income program budgets, technologies, and agencies.

And we're also going to need to provide universal eligibility requirements for these programs so that you can -- so that they work together.

And, similarly, we have to enable the selection of program administrators that can provide one-stop services across budgets and agencies, rather than, you know, just going with a default approach, which often means you're choosing a program administer who can only access funds, and provide services under one agency or one budget.

So, the second example is that we think the draft report shows a lot consensus about the need for more data on and from low-income programs. Like Jeanne

Clinton, we think that it's really important to use this report as an opportunity to propose and to recommend universal data tracking requirements for all low-income programs.

So, if we have the data, we need to set targets and measure progress towards increasing access and adoption levels among the low-income community members, and progress towards developing sustainable markets.

And we think these data requirements need to be universal so we can add the numbers together and actually see the aggregate impact of all of these programs. And, of course, CSE will provide a proposed list of universal data tracking requirements in our comments, so this isn't just a vague recommendation.

More generally, thank you. We'll provide written comments, with more details on these points, and other points. Thank you for this opportunity.

CHAIR WEISENMILLER: Thank you. Anyone else on the line?

MS. MATHEWS: Yes, we have one more comment.

CHAIR WEISENMILLER: Please, identify yourself.

MR. MCDONALD: Hi, can you all hear me?

CHAIR WEISENMILLER: Yes, we can.

MR. MCDONALD: Okay. So, yeah, I'm a Graduate Student Researcher at UC Irvine. One point I would make is --

CHAIR WEISENMILLER: Well, we need your name?

MR. MCDONALD: Oh, I’m sorry, Alex McDonald.

CHAIR WEISENMILLER: Okay, thanks.

MR. MCDONALD: Yeah, the one comment I would make, I think, in this Commission’s report, especially with, you know, addressing the low-income communities, is I don’t think there’s enough discussion about (inaudible) and, perhaps, solutions to this problem should include or address that, and seek to resolve those issues as this Commission’s report is further developed.

That’s all.

CHAIR WEISENMILLER: Okay, thank you.

Any other public comment on the line?

MS. MATHEWS: I don’t think we have any more public comment, but we did have one last, next steps slide that we wanted to share.

CHAIR WEISENMILLER: Okay, that would be good.

MS. MATHEWS: So, I’m going to bring Michael Sokol up to share that information.

CHAIR WEISENMILLER: Okay, great.

MS. MATHEWS: And before I do that, I also want to thank the California Environmental Justice Alliance for helping us coordinate all of our community meetings, and to all of the hosts, which includes Communities for a Better Environment, the Leadership Council for Justice and Accountability, the Center for Community Action and Environmental Justice, the Asian Pacific Environmental Network, Strategic Concepts in Organizing Policy and Education, Sierra Camp, and Sierra Business Council and, lastly, the Northern Circle Indian Housing Authority.

MR. SOKOL: All right, so we want to thank everyone for taking the time to come today, and to provide comments. But importantly, as we move forward, you know, you heard a lot of discussion of taking the next step in the study to provide really detailed and specific recommendations.

And so, that’s what we’re hoping that will be provided by the public in written comments, which are going to be due September 29th, by four o’clock. There’s a link here, on this slide, that shows you where you can go submit your e-filing comments, or you can reach out if you have questions on submitting comments.

We are looking for you to address the three questions that were proposed on the slide, earlier, when you’re framing your comments, with specifically looking towards recommendations, with specificity around schedule and funding amount, where it makes sense.

So, please submit comments, if you have them.

And we will look forward to reviewing those and incorporating those into the next phase of the study.

So, thank you all, again, for coming out. And for more information, you can go to this link here, including the Barriers Report Study Draft, itself, is linked there. You can reach out to Alana with some additional questions, and you can reach out to me, as well. Although, my information is not directly on this slide, I'm happy to answer any questions. And, thank you all.

CHAIR WEISENMILLER: Great. Again, I'd like to thank everyone who -- all the stakeholders who participated today. Certainly, hats off to staff, and Alana, for this activity.

Again, we've sort of put out a pretty quick draft in a very short period of time. It's a solid document that, you know, certainly, we're going to keep improving it between now and December.

And, you know, certainly looking forward to public comments. I think the one thing, again, to sort of talk or think about with other State agencies is, again, I'm trying not to dive into the details of the pending PUC decision, and not trying to dive into the details of EnviroScreen, but trying to figure out a way that we can come in at a high enough level that, really, we can be useful and not, you know, as Jeanne's pointed to all kinds of PUC proceedings that have been dealing with these issues, now, for a couple of years, and not to think that in the next four months we're going to be able to dive in and somehow fix them.

But anyway, so again, looking forward to peoples' written comments. You know, and again, I think, you know, always remember, again, if you can think about the top four or five things in the Dan Yergin problems and solutions.

The danger, obviously, when we go to the Legislature with 30 things, they may take the three things that are not your top priority and somehow do those. So, again, let's try to keep this pretty focused, if we can. But realize, some of these areas there's these huge issues that really will require comprehensive programs to deal with.

COMMISSIONER HOCHSCHILD: Just one final thought that occurred to me, which is we don't dwell on this much in the report, but how should we be measuring success? How should we be tracking progress? We do these tracking progress reports here, on renewables, and greenhouse gas emissions. What does that look like for low-income.

We want to really -- I think one advantage, by the way, at the Energy Commission, we do represent the entire State, including the POUs, and what is it, exactly that we want to be tracking in terms of, you know, dollars, or kilowatt hours saved, or any other metric.

But I think that's -- this is a focus not just for this year but, you know, really, I think the low-income piece is going to be a focus for the long term. And so, how do we think about measuring and tracking that? That's a question I'd love to see looked at.

CHAIR WEISENMILLER: No, that's a great point. Obviously, if you're not tracking something, it somehow doesn't happen.

So, anyway, again, thanks for your participation. This meeting's adjourned.

(Thereupon, the Workshop was adjourned at 4:22 p.m.)

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REPORTER'S CERTIFICATE

I do hereby certify that the testimony in the foregoing hearing was taken at the time and place therein stated; that the testimony of said witnesses were reported by me, a certified electronic court reporter and a disinterested person, and was under my supervision thereafter transcribed into typewriting.

And I further certify that I am not of counsel or attorney for either or any of the parties to said hearing nor in any way interested in the outcome of the cause named in said caption.

IN WITNESS WHEREOF, I have hereunto set my hand this 30th day of September, 2016.

PETER PETTY
CER**D-493
Notary Public

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I do hereby certify that the testimony in the foregoing hearing was taken at the time and place therein stated; that the testimony of said witnesses were transcribed by me, a certified transcriber.

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IN WITNESS WHEREOF, I have hereunto set my hand this 30 of September, 2016.

Barbara Little
Certified Transcriber
AAERT No. CET**D-520