

DOCKETED

Docket Number:	16-OIR-02
Project Title:	SB 350 Barriers Report
TN #:	214237
Document Title:	Comments of the Sacramento Municipal Utility District on SB 350 Barriers Report Draft Recommendations
Description:	N/A
Filer:	System
Organization:	SMUD/Lourdes Jimenez-Price
Submitter Role:	Public Agency
Submission Date:	10/28/2016 3:56:26 PM
Docketed Date:	10/28/2016

Comment Received From: Lourdes Jimenez-Price

Submitted On: 10/28/2016

Docket Number: 16-OIR-02

Comments of the Sacramento Municipal Utility District on SB 350 Barriers Report Draft Recommendations

Comments of the Sacramento Municipal Utility District on SB 350 Barriers Report Draft Recommendations

Additional submitted attachment is included below.

**STATE OF CALIFORNIA
BEFORE THE CALIFORNIA ENERGY COMMISSION**

In the matter of:)	Docket No. 16-OIR-02
)	
SB 350 Report On Barriers And Solutions to Low Income And Disadvantaged Community Actions)	SMUD Comments On SB 350 Barriers Report Recommendations
)	
)	October 28, 2016

**Comments of the Sacramento Municipal Utility District
on SB 350 Barriers Report Draft Recommendations**

Thank you for the opportunity to provide comments on the Staff Draft Recommendations for “A Study of Barriers and Solutions to Energy Efficiency, Renewables, and Contracting Opportunities Among Low-Income Customers and Disadvantaged Communities” (Draft Recommendations). SMUD supports the engagement of these communities in the State’s efforts to reduce energy use, increase the percentage of clean energy used in California, and reduce greenhouse gases. SMUD has several programs aimed at this purpose for our own customers that are in low-income or disadvantaged communities.

While we share the objectives of the State, SMUD believes that many of the specific items in the Draft Recommendations require further analysis and discussion. SMUD and other Publicly Owned Utilities (POUs) currently offer a variety of energy efficiency and other programs to low-income and disadvantaged communities. Over time, the experience with these programs will allow SMUD and other POUs to focus on the programs that work best to increase the engagement of these communities. Recommendations that the Legislature act to mandate specific programs could limit these varied and growing programs and reduce their effectiveness. In addition, statewide, top-down mandates will likely come with substantial utility costs, which will increase pressure to raise rates to our customers, including disadvantaged communities.

SMUD understands that the timeline provided by the Legislature for the Barriers Report was fairly tight. This schedule may have limited participation by POUs that could have brought into the picture the current, ongoing POU activities in this arena. A POU-specific workshop to highlight POU programs was anticipated, but was never scheduled. As it stands, the Barriers Report itself includes significant descriptions of state level and utility level programs for disadvantaged communities in Investor Owned Utility (IOU) service areas, but almost nothing related to POU programs or service areas. This significant omission appears to have led to Draft Recommendations that are not informed by current POU efforts.

It is difficult to now correct this record within a one-week comment period. The Draft Recommendations were released on Friday, October 21st, 2016, with comments due by October 28th, 2016. This is insufficient time to fully address SMUD's concerns with the Draft Recommendations. SMUD can only provide a cursory description rather than the comprehensive descriptions of our plans, programs, and activities so that the recommendations included in the barriers report can be better informed. SMUD encourages additional time, including the holding of for a public workshop on programs and activities so that stakeholders can be made aware and provide input.

However, as a start on this necessary effort, below is a summary of some of SMUD's current and planned efforts to assist low income customers and disadvantaged communities in our service area:

- **Energy Assistance Program Rate** – SMUD's version of the IOUs CARE programs -- a rate discount program for qualified low-income customers.
- **Low Income Weatherization Programs and Pilots:** SMUD has targeted a portion of energy efficiency funding specifically toward low-income customers. For example, SMUD used revenue from selling surplus AB 32 allowances to pilot three different deep energy efficiency retrofit programs with low-income customers from 2013-2014.
- **Planned High-User Energy Efficiency Program:** SMUD expects to roll-out a data analytics driven program to identify EAPR customers with the highest electricity usage and target efficiency efforts to those customers. Even on an EAPR discount rate, providing energy efficiency services to these customers will be most beneficial to reduce their higher bills.
- **Planned Low Income Community Solar Option:** SMUD is currently beginning an expansion of our groundbreaking SolarShares program. Initially, the expansion is targeted to commercial customers, but SMUD plans on expanding as well in the residential sector and is evaluating a specific component targeted to EAPR customers.
- **Multi-Family Virtual Net Metering Solar Program:** SMUD has an open program where low-income apartment buildings can install solar and have the benefits of the solar generation applied to reduce individual apartment bills.
- **Pilot Single Family Low Income Solar Program:** SMUD is partnering with Grid Alternatives to help identify and support solar installations and efficiency improvements in low-income single family homes in our service territory.
- **Sustainable Transportation Corridor in Disadvantaged Community:** SMUD is planning a program to establish an electric transit option on a highly used main avenue in a disadvantaged community.
- **Assistance Outreach:** SMUD provides education and outreach activities for community groups servicing low-income residents, helping them to identify energy efficiency rebates and other options to reduce these customers electricity costs.

- **State Partnership:** SMUD partners with state-funded contractors on low income weatherization and solar programs.

Another general issue is that definitions about what is meant by “low income” and “disadvantaged” vary by program and entity. Some of this is necessary, as local conditions and issues that affect lower income populations and disadvantaged areas may get lost in a top-down statewide definition. SMUD believes that it is preferable to have local POUs able to define the scope of the communities that are adversely affected in the local service territories. At the very least, any state level definition should be allowed to be “shaped” to reflect local conditions and issues. As an example, the state level EnviroScreen program developed for allocation of state greenhouse gas funds does not capture several low-income communities in SMUD’s service area.

SMUD suggests that the Draft Recommendations be changed as follows:

Recommendation 1: This recommendation is premature. SMUD developed a pilot Community Solar program about ten years ago, but it was not until SB 350 passed in 2015 that a significant barrier to expansion of that program was removed. The initial IOU programs establishing community solar shared renewables programs are just beginning. The “economic advantages” of these programs are not clear yet in the general market, much less in disadvantaged communities. The recommendation should include language about studying these nascent programs for opportunities to include disadvantaged communities.

Recommendation 1.a.: This recommendation is vague and difficult to implement. It is not clear what “community solar fees” the Commission is recommending that the Legislature consider establishing exemptions to for low-income and disadvantaged community customers. It is unclear whether the recommendation applies only to the IOU community and CPUC oversight, or also to the myriad POUs in the state, and their Governing Boards. Many of these programs are just beginning or still being designed and it is not clear that there will be specific, identifiable “fees” from which exemptions can be easily established. Proposition 26 concerns could arise if costs are passed along to other customers. This recommendation should be replaced with the following:

- a. The CPUC and Publicly Owned Utility Governing Boards should consider reducing the costs of participating in community solar programs for low-income customers, taking into account the impacts such reductions may have on other customers.***

Recommendation 1.b.: This recommendation is premature and possibly unworkable due to the vastly different sizes and variants of POUs in the state. It may be feasible for a larger POU such as SMUD to establish a pilot community solar program for low-income customers (and as noted above, this is already occurring without a legislative mandate), while this may be exceedingly difficult for smaller POUs and those with sharply different customer bases. Some POUs have very limited numbers of residential

customers, potentially making a community solar program expensive and ineffectual. This recommendation should be replaced with the following:

b. Publicly Owned Utility Governing Boards should consider developing pilot community solar programs for low-income customers within their territories, where applicable. The POU community should facilitate development of pilot community solar programs by collaboration and outreach with other POUs.

Recommendation 3.c.: This recommendation is premature and possibly unworkable due to the vastly different sizes and variants of POUs in the state. SASH and MASH programs are not necessarily feasible for all POUs. Recommendation 3 overall should refer to actions that the “State” should consider; not the “Legislature”. The four parts of the Recommendation do not clearly require legislative action, nor is such action the clear best policy direction for each of the parts. In particular, Recommendation 3.c should be replaced by the following:

c. Publicly Owned Utility Governing Boards should consider developing pilot programs similar to SASH/MASH programs for low-income customers within their territories, where feasible.

Recommendation 5: This recommendation is simply too detailed and varying in the five parts for feasible legislative action. Again, SMUD recommends that the recommendation should refer to actions that the “State” should consider, not the “Legislature”.

Thanks again for the opportunity to comment on the Draft Regulations.

/s/

LOURDES JIMENEZ-PRICE
Senior Attorney
Sacramento Municipal Utility District
P.O. Box 15830, MS A311
Sacramento, CA 95852-0830

/s/

TIMOTHY TUTT
Program Manager, State Regulatory Affairs
Sacramento Municipal Utility District
P.O. Box 15830, MS A313
Sacramento, CA 95852-0830

cc: Corporate Files (LEG 2016-0672)