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**APEN and CEJA's Comments**

*Additional submitted attachment is included below.*



**SB 350 Barriers Study Draft Recommendations Comments,  
Asian Pacific Environmental Network  
California Environmental Justice Alliance**

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The Asian Pacific Environmental Network (APEN), Communities for a Better Environment (CBE), Leadership Counsel for Justice and Accountability, Environmental Health Coalition (EHC), Center on Race, Poverty and the Environment (CRPE), People Organizing to Demand Environmental & Economic Rights (PODER), Center for Community Action and Environmental Justice (CCA EJ), Central Coast Alliance United for a Sustainable Economy (CAUSE), Strategic Concepts in Organizing and Policy Education (SCOPE), and Physicians for Social Responsibility - Los Angeles (PSR-LA), as part of the California Environmental Justice Alliance (“CEJA”), respectfully submit these comments in response to the SB 350 Draft Recommendations (“Draft Recommendations”) in the Study of Barriers and Solutions to Energy Efficiency, Renewables, and Contracting Opportunities Among Low-Income Customers and Disadvantaged Communities (“Draft Study”). CEJA is a statewide coalition of community-based organizations whose constituencies – low-income communities and communities of color – are disproportionately impacted by pollution and are on the frontlines of climate change. We unite the powerful local organizing of our members to create comprehensive opportunities for change at a statewide level. We represent approximately 30,000 Asian Pacific American, Latino, and African American residents throughout the State including in the San Francisco Bay Area, San Joaquin Valley, Los Angeles, Inland Valley, Central Coast, and San Diego/Tijuana area.

In these comments, CEJA discusses the prioritization of the recommendations as well as suggests other considerations for inclusion in the recommendations. As an initial matter, we were pleased that the California Energy Commission (“CEC” or “Energy Commission”) is attempting to provide concrete recommendations in this study. As discussed in our initial comments, SB 350 requires an analysis of potential solutions to the many barriers faced by disadvantaged and low-income communities. This list appears to provide the first necessary step in that process. The next step is providing a more robust discussion of these solutions to further assist them with becoming a reality. Additionally, we are pleased to see a stronger emphasis on workforce and community development as integral to enabling the benefits of clean energy for residents living in disadvantaged and low-income communities, which is a necessary component of transitioning to an equitable clean energy economy.

## **I. Prioritization of Solutions that Are Likely To Have Meaningful Impact in Communities**

The CEC's Draft Recommendations lists twelve recommendations of potential solutions to the many barriers faced by disadvantaged and low-income communities. Although not explicitly stated, the solutions appear to be listed in order of priority. CEJA has recommendations of how the list of recommendations should be prioritized.

### ***A, Prioritize Recommendations that Most Effectively Reduce Barriers and Increase Penetration of Renewables in DACs***

We believe that each of the following recommendations can increase renewable energy penetration to DACs. Given limited resources for the CEC and that state, we recommend the following five priorities, which we believe will have the largest impact in reducing the barriers and increasing penetration in disadvantaged and low-income communities:

- 1) ***Establish an “Office of Equity and Community Resilience” reporting to the Governor with oversight of all state programs administering energy, water, resilience, and housing programs for low-income customers and disadvantaged communities.*** We strongly support this recommendation as it represents a structural shift in the way the state coordinates programs targeted to disadvantaged and low-income communities. It also commits long-term resources to integrate, streamline, and standardize access to programs for these communities. Through the recommended neighborhood-wide approach to expanding clean energy programs in tandem with offering other essential services, this type of office would provide opportunities to leverage various programs and implement those programs in a way that maximizes community benefits. The state has already taken a first step at this through the Transformative Climate Communities program, which utilizes only Greenhouse Gas Reduction Funds. We see this new office as being able to advise the deployment of funds but provide oversight of all state programs for DACs.
- 2) ***Increase access to community solar programs.*** As mentioned in the Draft Report, community solar programs offer the opportunity to overcome structural barriers for renters, apartment dwellers and households with older rooftops as well as provide benefits to customers including lower costs, energy savings, and local jobs. Programs like the Green Tariff Shared Renewables Program have potential and with small modifications may provide greater direct benefit for residents in DACs and low income Californians. We are pleased to see that the first recommendation clearly outlines how to support access to community solar for residents living in disadvantaged and low-income

communities. A key approach mentioned is authorizing an exemption for low-income customers from fixed charges that make community solar prohibitively expensive.

- 3) ***Leverage and allocate resources for community-based organization collaboration and involvement.*** In our previous comments we submitted in response to the Draft Study, we underlined that community-based organizations (CBOs) are critical partners for program outreach, education, as well as workforce development by building upon local networks of trust. We would like to emphasize the importance of “leveraging and allocating resources” to draw upon the experience and expertise of CBOs. Designating funding for these activities enable meaningful involvement of and collaboration by CBOs to deliver clean energy programs. An immediate first step could be to launch this type of genuine engagement through existing programs such as Energy Upgrade CA.
- 4) ***Develop energy upgrade financing pilot programs.*** In order to improve access, the Draft Recommendations highlight a variety of approaches to address financing barriers for disadvantaged and low-income communities. Development of financing pilot programs are actionable opportunities to overcoming the barriers presented by lack of capital and credit. In addition to the programmatic overview presented, we would like to see further thought on ideal scope and timeline. We also think the Draft Study and Draft Recommendations should emphasize that these pilot programs should adhere to key priorities including avoiding debt-based models, addressing and preventing predatory lending practices and fraud against consumers, and coordinating across financing opportunities available for low-income and disadvantaged communities. In line with these priorities, we suggest also looking at the Pay as You Save (PAYS) model, in which the utility finances the energy installation and passes along savings to the customer.<sup>1</sup>
- 5) ***Establish pilot programs for regional one-stop shops for full-service support to owners, tenants, and small businesses in low-income and disadvantaged communities.*** In order to streamline participation, integrate program offerings and technical assistance, we support establishing one-stop shops and recommend exploring the feasibility of this recommendation further. This one-stop shop could be connected to our top recommendation (see #1 above) and be an in the community “store front” that is working closely with the new “Governor’s Office of Equity and Community Resilience”.

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<sup>1</sup> The debt-free PAYS model has yielded average energy savings of 25% and has been adopted by utilities in Kansas, Kentucky, North Carolina, New Hampshire, Hawaii, California and Arkansas. See Clean Energy Work’s Comments on SB 350 Barriers Report Docket Number 16-OIR-02, TN#: 212958.

## ***B. Direct SASH/MASH Programs to Tribal and Other Underserved Communities***

The Draft Study notes that a significant barrier particularly for Native American and other remote communities, is a “lack of infrastructure, notably transmission lines, to move energy developed within more rural portions of the country,” (pg. 25). In order to address these challenges, we support the Draft Recommendations’ attention to maximizing the development and deployment of energy solutions for tribal communities and cities not served by utilities. These populations represent deeply energy insecure communities and are critical places to support energy independence, cost savings, and job training for residents. We believe that all currently available SASH/MASH funds should be directed to addressing this long standing problem and any additional funds for SASH/MASH should be directed to this purpose of addressing energy insecurity in our state’s tribal lands. In addition to this we suggest that the CEC in partnership with others engage in a study that looks to bring renewable energy into disadvantaged and vulnerable homes in tribal lands. The prioritization of this approach should be based on a feasibility analysis in order to identify how it ranks relative to other approaches to expand clean energy opportunities.

## **II. Other Recommendations**

CEJA recommends that the CEC also add a recommendation to establish an environmental justice and energy equity commissioner and staff as well as clearly define disadvantaged communities.

### ***A. Establish Environmental Justice and Energy Equity Commissioner and Staff at the Energy Commission***

The community engagement and outreach process as part of developing the Draft Study exemplifies the Energy Commission’s commitment to both engaging and serving low-income and disadvantaged communities. We commend the CEC for establishing a collaborative model for state agencies to follow and we hope to see this commitment continue in order to meaningfully address the barriers and solutions identified in the Draft Study. Consistent with the Air Resources Board, CEJA recommends that the Energy Commission identify a staff person dedicated to environmental justice and energy equity as well as designate an Energy Commissioner to include environmental justice and energy equity into his/her portfolio. This will increase the capacity of the CEC to respond and evaluate issues related to disadvantaged and low-income communities. As evident in SB 350, consideration of low-income and disadvantaged communities will be a priority moving forward.<sup>2</sup>

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<sup>2</sup> See, e.g., Cal. Public Resources Code Sections 25237, 25943(c)&(d).

## ***B. Define Disadvantaged Communities***

It is important that there is no ambiguity from these recommendations around the definition of disadvantaged communities, as well as low-income households, and low-income communities. The Draft Study notes in the glossary that “CalEPA has designated disadvantaged communities as those that scored at or above the 75th percentile using the California Communities Environmental Health Screening Tool (CalEnviroScreen) method for ranking communities that are afflicted by environmental and socioeconomic issues, (pg. 73). It also points out that low-income households can be defined as “those that fall at or below 200 percent of the federal poverty guidelines or those whose incomes do not exceed 80 percent of the median family income for the area” (pg. 74).

In order to prevent conflicting interpretations, we suggest that the CEC follow the definition outlined in AB 1550 as the most recent articulation of how to define disadvantaged communities, which include those that score at or above the 75th percentile using the CalEnviroScreen tool *as well as* low-income households that are located adjacent to (within a 1/2 mile of) those disadvantaged communities.<sup>3</sup> AB 1550 defines “low-income households” as those with household incomes at or below 80 percent of the statewide median income or with household incomes at or below the threshold designated as low income by the Department of Housing and Community Development’s list of state income limits pursuant to Section 50093.

Although not included in defining “disadvantaged communities”, AB 1550 also defines “*low-income communities*” as census tracts with median household incomes at or below 80 percent of the statewide median income or with median household incomes at or below the threshold designated as low income by the Department of Housing and Community Development’s list of state income limits pursuant to Section 50093.

## **CONCLUSION**

By implementing the above recommendations, CEJA believes that the Recommendations can meaningfully increase solar photovoltaic, distributed generation, and energy efficiency development in disadvantaged and low-income communities as envisioned by the Legislature.

Thank you for your time and consideration.

Sincerely,

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<sup>3</sup> See Cal. Health and Safety Code Section 39713.

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