

## DOCKETED

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**Greenlining Institute Comments on CEC SB 350 Barriers Study Recommendations**

*Additional submitted attachment is included below.*



## **Comments of the Greenlining Institute on the California Energy Commission's SB 350 Barriers Study Recommendations**

The Greenlining Institute (Greenlining) welcomes the opportunity to provide comment on the California Energy Commission recommendations to the SB 350-mandated Study of Barriers and Solutions to Energy Efficiency, Renewables, and Contracting Opportunities Among Low-Income Customers and Disadvantaged Communities (Draft Recommendations). Greenlining is a research and advocacy organization dedicated to advancing economic opportunity and empowerment for people of color. We seek to build a nation in which communities of color thrive and race is never a barrier to opportunity. Issues of environmental and economic inequity are central to our work.

Generally, Greenlining greatly appreciates the bold vision for an inclusive clean energy future set forth in these recommendations. These recommendations together could establish California not only as one of the world's clean energy leaders, but also as an energy equity leader.

In addition to our comments below, we also support comments submitted by the Asian Pacific Environmental Network, the California Environmental Justice Alliance, the GREEN/Energy Efficiency for All Coalition, and Clean Energy Works.

### **OVERARCHING COMMENTS**

First, the California Energy Commission (CEC) and all other relevant implementing agencies should have a lead commissioner assigned specifically to the issues of environmental justice and environmental equity. Additionally, relevant agencies should have at least one full time staff person assigned to this work.

Second, the Draft Recommendations and the 350 Barriers Study should use SB 1550 definitions for low-income and disadvantaged communities.

Third, the streamlining efforts outlined in Recommendations 6 and 7 should include clean and sustainable transportation opportunities and access as part of the recommendations.

Fourth, programs serving low income customers and disadvantaged communities should have longer funding cycles and allow for longer project timelines than the one year most programs currently provide. Especially for multi-family buildings, it is exceedingly difficult

if not impossible to complete a comprehensive efficiency retrofit and install solar within a one year project timeline. Additionally, short budget and funding cycles for programs can create significant uncertainty for contractors and for their workforces. Longer funding cycles and longer allowable project timelines will help ensure continuity of work and allow more customers to take advantage of the available programs.

Fifth, the state should develop, in consultation with key stakeholders, an environmental equity and environmental justice research portfolio that scopes out research, development, and deployment projects that focus on equity and environmental justice considerations and bringing climate and sustainability benefits to low-income and disadvantaged communities.

## **SPECIFIC RECOMMENDATIONS**

### **➤ CEC Recommendation One | Community Solar**

Greenlining strongly supports the Draft Recommendations' emphasis on community solar, as the solar access model with the lowest barriers to entry.

*Proposed additional sub-recommendation* - Eliminate or reduce 500 kw minimum requirement in the CPUC's GTSR program. This will allow for smaller community-driven renewable energy projects.

### **➤ CEC Recommendation Two | Financing**

Greenlining does not support a pay for performance model for low income customers, who are more budget-constrained and thus less able to bear the risk that energy savings will be less than anticipated. We recommend that this sub-recommendation be removed from the Draft Recommendations.

Instead, the CEC should recommend tariffed on-bill financing pilots that do not require customers to take on debt.<sup>1</sup> While Greenlining believes that credit enhancement mechanisms like those recommended in the Draft have a potential role to play for some customers, solutions that require no debt at all are optimal for low income customers.<sup>2</sup> Tariffed on-bill terms pose lower risks to both the customer and the utilities. Pay As You Save®<sup>3</sup> is a successful model for this type of inclusive financing, operating in several jurisdictions today.

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<sup>1</sup> Greenlining asserts that inclusive, non-debt based financing should be available to all customers at all income levels, but is particularly important for budget-constrained low income customers.

<sup>2</sup> In 2013, the CPUC authorized nearly \$190 million dollars to fund statewide energy efficiency financing pilots for the 2013-2015 cycle. Several pilots are designed for residential customers, with the stated primary goal of increasing low and moderate income customer participation in energy efficiency. All of the pilots are loan-based, and none have launched to date. See D.13-09-044, Decision Implementing 2013-2014 Energy Efficiency Financing Pilot Programs, Sep. 19, 2013.

<sup>3</sup> Pay As You Save® and PAYS® are trademarks of the Energy Efficiency Institute, Inc.

Greenlining strongly urges the CEC to recommend that the CPUC develop a pilot for inclusive financing, because it substantially reduces financial risk to low income customers. The pilot should be open to all customers regardless of income, credit score or renter status, but should ensure that low income customers comprise a statistically significant portion of the participating customer base. The CEC should also encourage and assist in the implementation of a tariffed on-bill financing program among POUs and rural electric cooperatives.

*Proposed additional sub-recommendation* – Identify and pilot inclusive, tariffed, on-bill financing pilot programs for IOU, POU, and rural electric cooperative customers.

➤ **CEC Recommendation Three | Solar**

Greenlining strongly supports expanding solar opportunities for low income customers and disadvantaged communities. We submit two recommendations to 1) ensure that the economic benefits of solar reach tenants as well as building owners, and 2) ensure coordinated delivery of energy efficiency and solar.<sup>4</sup> Further, while SASH and MASH are our longest-standing examples of programs serving low income customers, Greenlining recommends against calling out any programs specifically. Instead, we recommend emphasizing the features that low income solar programs should contain, but refraining from listing individual examples.

Finally, while Greenlining strongly supports community solar, we do not recommend that funding be diverted from on-site solar programs to fund community solar. Instead, additional funding should be authorized to support community solar.

*Proposed edits in bold/strikethrough* – “The Legislature should expand opportunities for low-income and disadvantaged populations that own or rent to utilize solar, ~~such as the Single Family Affordable Solar Housing (SASH) and Multifamily Affordable Solar Housing (MASH) programs,~~ by:”

*Proposed edits in bold/strikethrough* – “~~Allowing~~ **Authorizing additional** funding to be used to support community solar for low-income customers.”

*Proposed additional sub-recommendation* – Ensuring that future funding or programs targeting low income renters deliver the economic benefits of solar primarily to tenants.

*Proposed additional sub-recommendation* – Ensuring that future funding or programs both require and support significant energy efficiency retrofits prior to investing in solar.

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<sup>4</sup> Ensuring that properties undergo an energy efficiency retrofit prior to investing in solar not only maximizes economic benefits and minimizes cost, it also helps guard against the very real risk of solar overbuild, which will exacerbate California’s challenges around ramping and the duck curve.

➤ **CEC Recommendation Five | Metrics**

Greenlining strongly supports the recommendation to develop standard metrics, especially equity metrics. It is critical to know where our programs are succeeding, and who is being left out. This equity evaluation is essential for all programs, including general market programs as well as those specifically targeting low income or disadvantaged communities.

*Proposed edits in bold* - "The legislature should require all program delivery agencies to establish metrics and collect and use data systematically across **all** programs to increase their performance in low-income **and disadvantaged** communities, **particularly as compared to the performance of state programs outside of these communities. These requirements include:** "

➤ **CEC Recommendation Six | One-Stop Shop**

Greenlining supports the One-Stop Shop model, but supports comments filed by the GREEN-EEFA Coalition<sup>5</sup> regarding establishing one statewide engagement effort with regional technical assistance centers that can serve as a single point of contact and provide individualized guidance to customers based on their needs. Additionally, while Greenlining reiterates the GREEN-EEFA Coalition's recommendation that the one-stop shops must be more than energy education and generalized outreach, we also submit that the statewide effort and the regional technical assistance centers must provide accessible, useful information to customers who are just beginning to explore their options.

*Proposed edits in bold* - "The Energy Commission in consultation with the CPUC and CSD and other related state agencies should establish a pilot program for up to ten regional One-Stop Shops **with a user-friendly and accessible online presence** to provide full-service support to building owners...."

➤ **CEC Recommendation Seven | New Oversight Office**

Greenlining strongly supports efforts to improve coordination across agencies working on clean energy related programs, and urges that this coordination needs to begin as soon as possible. A new state office with oversight and coordination authority could be highly beneficial in the future, but will take several years to authorize, implement, and staff. Greenlining urges the CEC to recommend that coordination begin now, through MOUs or other joint agreements. We further urge that if a new oversight office is pursued, a timeline and intentional process should be established for the transition from agreement-based coordination to coordination via the new oversight office. Finally, any interim agreement-based coordination must have staff resources dedicated to its implementation and sufficient to ensure that coordination in fact happens.

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<sup>5</sup> Greenlining is also a signatory to the GREEN-EEFA joint comments.

Additionally, Greenlining strongly support the sub-recommendation on establishing common definitions of non-energy benefits (NEBs). These benefits are essential to health, safety and comfort, especially for low income customers who lack the means to make such investments on their own. Greenlining recommends that this work be closely tied not only to coordination between agencies but also to the process establishing common metrics for programs, including equity metrics (which should also be coordinated across agencies).

➤ **CEC Recommendation Eight | Resources to CBOs**

Greenlining greatly appreciates the attention the Draft Recommendations pay to the vital role CBOs play in ensuring the success and well-being of the communities they serve. To this end, Greenlining also notes that most CBOs do not have discretionary funds or available resources to take on new work without a funding stream to support it. As such, we urge that where CBO engagement will be beneficial, CBOs must receive funding and technical assistance support to help them do the job right.

*Proposed edits in bold* - "The Legislature should direct all state programs to leverage and allocate resources **to contract with** trusted and qualified community-based organizations..."

Additionally, through their role as a trusted source of information and counsel for many hard to reach communities, CBOs can support the bundling of clean energy opportunities recognized in Recommendation 6.

*Proposed additional sub-recommendation* - support bundling of clean energy opportunities as flagged in recommendation number 6.

➤ **CEC Recommendation Nine | Consumer Protection Task Force**

Greenlining supports the creation of a consumer protection task force, and urges that the task force be inclusive of all communities and customers who fall prey to predatory practices and bad market actors. Specifically, the task force must be aware of and equipped to address the special needs of limited-English proficient customers, who are often a primary target for bad actors. Further, the task force must recognize that small businesses can often fall victim to the same pitfalls residential customers face, and be equipped to assist these customers as well.

*Proposed edits in bold* - "The Governor should create a consumer protection task force to assist in the prosecution of companies who use misleading information or engage in predatory practices to take advantage of low income customers **and small businesses** seeking access to clean energy benefits."

➤ **CEC Recommendation Ten | RD&D and Market Facilitation**

Greenlining particularly appreciates this Recommendation, and urges that California's clean energy leadership will eventually plateau if it cannot direct its significant innovation capacity toward solving problems unique to low income, disadvantaged, and environmental justice communities.

*Proposed additional sub-recommendation* - The state, in consultation with key stakeholders including the CEC, should develop a regularly updated environmental justice and environmental equity energy research portfolio.

**(10) (a)**

*Proposed edits in bold* - "All demonstration programs should include a preference or requirement for sites located in **and benefiting** either disadvantaged communities or low-income..."

**(10)(c)**

*Proposed edits in bold* - "The Energy Commission's EPIC program should target 25% of technology demonstration and deployment funding for sites located in **and benefiting** disadvantaged communities."

**(10)(d)**

*Proposed edits in bold* - "The investor-owned utilities (IOUs) – PG&E, SCE and SDG&E- should follow the Energy Commission's lead and include a focus on bringing clean energy and emerging technologies to disadvantaged communities in **all EPIC investment plans, including** their 2018-2020 EPIC Investment Plans."

➤ **CEC Recommendation Twelve | Small Business Contracting Opportunities**

Greenlining appreciates the attention paid to small business contracting opportunities, and notes that the local economic development potential of California's push toward cleaner energy will greatly benefit from intentional focus on the best ways to increase opportunities for local small businesses. Greenlining urges that the small business community itself has a vital role to play in the proposed research process.

*Proposed edits in bold* - The **Governor's Office of Business and Economic Development (GO-Biz)** should conduct an in-depth, data-driven study, **in consultation with diverse-owned business chambers, small businesses, and relevant non-profits**, to determine actions for increasing contracting opportunities for small businesses in low-income and disadvantaged communities **using an ombudsman model to ensure equity priorities are met.**



Greenlining appreciates this opportunity to comment and looks forward to engaging further on this critical policy discussion.

Respectfully submitted,

/s/ Stephanie C. Chen

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