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Additional submitted attachment is included below.

BEFORE THE CALIFORNIA ENERGY COMMISSION

In the matter of: Senate Bill 350 Low-Income and Disadvantaged Communities Barriers and Solutions Report	Docket No. 16-OIR-02

COMMENTS OF THE GREEN-ENERGY EFFICIENCY FOR ALL COALITION, INCLUDING CALIFORNIA HOUSING PARTNERSHIP AND NATURAL RESOURCES DEFENSE COUNCIL ON THE REVISED SB 350 BARRIERS REPORT

December 8, 2016

I. INTRODUCTION

The California Housing Partnership (CHPC), the Natural Resources Defense Council (NRDC), and the Greenlining Institute respectfully submit these comments on behalf of the Green Rental home Energy Network (GREEN) and Energy Efficiency for All (EEFA) Coalition regarding the California Energy Commission's SB 350 Barriers Report. CHPC created GREEN, a coalition of over 80 affordable housing, environmental, and energy efficiency organizations working to increase access to energy efficiency resources for affordable rental properties in California. EEFA is a national partnership dedicated to linking the energy and housing sectors together to tap the benefits of energy efficiency for millions of low-income families. In California, we work together with multifamily property owners and managers and numerous other partners to ensure that low-income households benefit from cleaner, healthier, and more affordable housing.

II. COMMENTS

The GREEN-EEFA Coalition supports the Commission's adoption of the revised 350 Barriers Report, and we provide these additional clarification comments to strengthen the Recommendations section of the report for serving low income and disadvantaged community residents living in multifamily buildings. Numbers below refer to the report's executive summary recommendations section.

A. Clarify that program alignment is the purpose of the task force, and that the deliverables of the task force include program alignment outcomes and reporting on these outcomes

1. The State should establish a program alignment task force to facilitate coordination of all state agencies administering energy, water, resilience, housing, and low-emission transportation infrastructure programs for low-income customers and disadvantaged communities. It should require collaboration, standardization, streamlining, integration, and cofunding opportunities with related federal, state, and local agencies, including actions to:

    a. Align low-income eligibility requirements across agencies and programs to streamline low-income program enrollment, enable categorical eligibility where possible, and thereby increase participation in multiple programs. Analyze the implications of application of different potential standards and opportunities to establish a suite of standard eligibility requirements.

~~a.~~b. Regularly provide reports on the progress of the task force toward increasing alignment of programs and recommendations on program alignment that may require legislative action.

B. The CPUC recently authorized a new program with $80 million of unspent Energy Savings Assistance Program funds to empower affordable rental housing owners to make energy upgrades, recognizing that the existing direct install programs are not sufficient. Please update this point to reflect this new CPUC direction.

~~b.~~c. Expand energy programs to include upgrades for additional efficiency opportunities and water-efficiency opportunities, including efficient fixtures (toilets, shower heads, faucets), appliances (washing machines, dishwashers), building systems (gray water reuse, solar hot water, sub-meters/trackers), and landscaping (moisture-based sensors, drip irrigation, turf replacement) for customers in low-income and disadvantaged communities. Programs should be aligned to reduce redundancies, administrative overhead, and reach more customers.

~~c.~~d. Initiate pilot programs that address entire neighborhoods in disadvantaged communities, rather than building-by-building. Future expansions could include neighborhoods outside disadvantaged communities but that include a significant proportion of low-income households.

~~d.~~e. Ensure that energy retrofit programs facilitate access to available funds from programs that address non-energy work, such as asbestos, lead, and mold removal and structural maintenance so that work can be conducted in conjunction with energy upgrade projects. Explore the potential for energy upgrade programs to coordinate with local housing rehabilitation efforts in low-income and disadvantaged communities.

~~e.~~f. Develop a comprehensive action plan on improving opportunities for energy efficiency, renewable energy, demand response, energy storage, and electric vehicle infrastructure for multifamily housing, with attention to pilot programs for multifamily rental properties in low-income and disadvantaged communities.

~~f.~~g. Engage with the federal government to explore program development opportunities, share best practices, and leverage research and cofunding potential for all energy, water, and housing programs.

~~g.~~h. Ensure all state programs identify and prioritize best practices in other states with high-functioning programs that serve low-income and disadvantaged communities.

~~h.~~i. Leverage local government planning initiatives to enhance low-income clean energy deployment programs.

~~i.~~j. Establish common definitions of non-energy benefits, develop standards to measure them, and attempt to determine consistent values for use in all energy programs.

~~j.~~k. Establish an expert advisory committee to align future low-income program modifications with the latest market trends and industry best practices. This committee should be comprised of representatives from clean energy finance, information technology experts, building property owners, and other marketplace actors with expertise needed to design and implement effective financial, housing, and related energy service programs for low-income customers and disadvantaged communities.

2. The State should act to enable the economic advantages of community solar to be readily accessible to low-income and disadvantaged populations across California (for investor-owned utilities [IOUs], publicly owned utilities [POUs], and other load-serving entities). Where feasible, community solar installations should be deployed in the low-income and disadvantaged communities they serve, with priority given to

locations that maximize benefits to the distribution system.

a. The Legislature could authorize exemptions and incentives for low- income IOU customers so that the cost of community solar does not exceed the cost of onsite solar. These subsidies could be time-limited and declining.

b. The governing boards of POUs should consider developing community solar offerings for low-income customers within their territories.

C. Recommendation 3 should be connected to a chapter dedicated to workforce, education & training specific barriers, rather than small business barriers. We recommend separating out the WE&T chapter from the small business chapter.

3. The Energy Commission and CPUC should partner with the California Labor and Workforce Agency, the Workforce Investment Boards, community colleges, and other agencies, as well as consult with employers, the UC Berkeley Labor Center and the relevant trade unions and community-based organizations, strategize workforce, community, and clean energy goals. This strategy should consider the following:

a. The Legislature should establish a green workforce fund to allow state-administered energy and clean transportation infrastructure programs to include a local workforce development component for low-income and disadvantaged communities. This workforce development should be provided through direct hiring and training, through community-based organizations that have demonstrated to have hired and trained locally, or with organizations that run apprenticeship programs.

b. Energy service companies that demonstrate a commitment to hiring employees in low-income and disadvantaged communities should receive preference points, similar to incentives offered through the Target Area Contract Preference Act (TACPA), when competing for state or utility contracts. A set of contractor and workforce standards and other interventions should be included in the program requirements for clean energy incentive programs.

c. Expand the use of community workforce agreements for clean energy contracting in disadvantaged communities.

d. IOUs should coordinate their workforce education and training programs with California's main training and education institutions, with a focus on disadvantaged communities.

D. Include credit-enhancement solutions for rent-restricted housing. California Housing Partnership's upcoming case study will show the need for a credit enhancement to protect owners from the risk of projected energy savings not materializing for CAEATFA's On-Bill Repayment pilot for rent-restricted housing.

4. The State should continue developing a series of energy upgrade financing pilot programs to evaluate a variety of models to improve access and participation of low-income customers, including those in disadvantaged communities. The pilot programs would include the cost of health and safety measures required to accomplish energy efficiency upgrades. Possible pilots include:

   a. The CPUC should consider developing a tariffed on-bill pilot for investments in energy efficiency that targets low-income customers regardless of credit score or renter status, and that do not pass on a debt obligation to the customer. Utilities could use the program to make energy upgrade investments and recover the cost through the bill, so long as the recovery charge is less than the estimated savings. The Energy Commission should encourage and help implement a tariffed on-bill program among POUs and rural electric cooperatives.

   b. The Legislature could authorize development of a pilot program to provide low-income customers the option to use their California Alternative Rates for Energy (CARE) subsidy or other subsidies to purchase shares in a community solar offering. Flexible CARE alternatives should be guaranteed to reduce energy bills by at least as much as the CARE discount. This model could be extended to enable CARE customers to redirect their CARE subsidy to energy efficiency upgrades.

   c. The State Treasurer's Office, in coordination with other state entities, could offer a credit enhancement pilot program to encourage financing for energy improvements for market-rate and rent-restricted low-income multifamily housing and commercial, community, and industrial buildings in disadvantaged communities. Options could include establishing a financial warehouse line of credit or subordinated capital.

d. The State Treasurer's Office could establish a pilot program to evaluate the potential for social impact bonds to increase investment in energy upgrades for low-income customers.

E. These metrics should be standard across agencies and data should be collected and shared across agencies so that policymakers and stakeholders can see the full picture of how programs, in the aggregate, are resulting in progress toward higher level goals. The recommendation should explicitly include using this data to develop outcome-oriented goals.

5. The Legislature should require all program delivery agencies to work together to establish common metrics and develop shared infrastructures and requirements to collect and use data systematically across programs to increase the performance of these programs in low-income and disadvantaged communities, including requirements to:

a. Establish outcome-oriented goals, such as energy/bill savings goals, all cost-effective measures per building, penetration goals, greenhouse gas emissions goals, and NEBs goals.

~~a.~~ b. Develop standardized energy equity indicators as metrics to ensure low-income customers are being served. Use these metrics to set a statewide baseline and track performance.

~~b.~~ c. Target program services to increase coverage and improve equity.

~~c.~~ d. Develop a common database for use by program delivery agencies and other community partners.

~~d.~~ e. Use market intelligence to achieve data-driven program design and target best intervention strategies that serve low-income needs.

~~e.~~ f. Ensure that low-income persons have product selection options and information necessary to avoid driving up their plug-load energy use, recognizing that low-cost appliance and consumer products are commonly less energy-efficient than other appliances and products.

g. Ensure that program participation includes a condition for permission to access participant, project, and pre-/post-consumption data by the State to enhance service delivery, evaluation, and planning. Where viable, such data should be made public.

~~f.~~h. Establish common definitions of non-energy benefits (NEBs) and standards to measure them.

6. The Legislature should expand opportunities for low-income and disadvantaged communities to use photovoltaic and solar thermal technologies by:

   a. Instructing the IOUs to implement programs, such as the Multifamily Affordable Housing Solar Roofs Program, to achieve an equitable penetration rate among low-income customers.

   b. Directing the governing boards of POUs to consider developing or expanding pilot programs that provide solar for low-income customers and disadvantaged communities.

   c. Emphasizing special attention to tribal communities and communities not served by utilities.

7. The California Tax Credit Allocation Committee (TCAC) should consider enhancing the priority of affordable housing tax credits for housing rehabilitation projects to include onsite energy efficiency and renewable energy upgrades. In addition, with funding provided by State policymakers, California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) should consider providing financial assistance, such as credit enhancements, to support energy efficiency and renewable energy improvements to coincide with TCAC tax credit events at rehabilitation.

F. Since large multifamily housing owners generally have portfolios that span multiple regions and utility territories, we strongly recommend a statewide program administrator with regional partners. This combines the benefits of

consistent program guidelines and program application processes, with regional boots-on-the-ground technical assistance. We also recommend not framing this as a "pilot" program since this approach has already been rolled out through CSD's Low Income Weatherization Program.

8. The State, in consultation with Energy Commission, CPUC, ARB, California Department of Community Services and Development (CSD), and other related state and local agencies, should establish or expand ~~a pilot program for multiple regional~~ a one-stop ~~shops~~services program that combines statewide consistency and regional on-the-ground partnerships to provide technical assistance, targeted outreach, and funding services to enable owners and tenants of low-income housing across California to implement energy efficiency, clean energy, zero-emission and near-zero emission transportation infrastructure, and water-efficient upgrades in their buildings. This ~~pilot~~ program should also support a range of local service delivery providers, coordinate with local government energy programs, and leverage existing Web portals, such as Energy Upgrade California®, with information provided in a variety of languages and in a format relevant to local low-income communities. ~~Regional pilot~~The program~~s~~ should build on the best models for comprehensive one-stop models both in California and other states.

9. The State, in coordination with local authorities and consumer protection agencies, should investigate the need for heightened consumer protection to help prosecute companies that use misleading information or engage in predatory practices to take advantage of low-income customers and small businesses in disadvantaged communities seeking access to clean energy benefits.

10. The Legislature should direct funding for all state programs to collaborate with trusted and qualified community-based organizations in community-centric delivery of clean energy programs, in coordination with local governments, to:

    a. Communicate program information to customers and obtain ongoing feedback from customers.

    b. Communicate contract information to local small businesses in disadvantaged communities.

c. Develop local workforce to expand access to entry-level and high-quality jobs in the clean energy economy.

G. Funding for demonstration projects should include demonstration of financial and societal (or "non-energy" benefits) for disadvantaged communities and low-income customers.

11. The Energy Commission and CPUC should direct research, development, demonstration, and market facilitation programs to include targeted benefits for low-income customers and disadvantaged communities.

a. The Energy Commission's Electric Program Investment Charge (EPIC) Program should fund pilots that demonstrate financial and non-energy benefits for disadvantaged communities and low-income customers.

~~a.~~b. The Energy Commission's Electric Program Investment Charge (EPIC) Program should target 25 percent of technology demonstration and deployment funding for sites located in disadvantaged communities.

~~b.~~c. Energy Commission research development and deployment programs should conduct forums to share best practices and case studies on current projects located in disadvantaged communities.

~~c.~~d. The Energy Commission should analyze potential business models that would create market opportunities for emerging clean energy technologies to be deployed in a manner that directly benefits low- income customers and disadvantaged communities, including, but not limited to, tribal communities, rural communities, and mobile home communities.

~~d.~~e. The Energy Commission should sponsor prize competitions and challenges to spur novel ideas and solutions for bringing clean energy technologies to low-income customers and disadvantaged communities.

~~e.~~f. The IOUs – PG&E, SCE, and SDG&E – should identify opportunities to locate technology development and deployment projects in disadvantaged communities in all future EPIC Investment Plans, including their 2018-2020 EPIC Investment Plans.

~~f.~~g. The CPUC should review its programs to identify additional investment opportunities for cleaner sources of heating in disadvantaged communities in the San Joaquin Valley to support the goals of Assembly Bill 2672 (Perea, Chapter 616, Statutes of 2014).

III. CONCLUSION

GREEN-EEFA appreciates the opportunity to offer these comments on the Commission's SB 350 Barriers Report, and encourages the Commission to consider our recommendations, as elaborated on above, to ensure all California residents are being served by California's clean energy economy.

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Respectfully submitted,

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