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Greenlining Comments on the 2018-2019 Investment Plan Update for the Alternative and Renewable Fuel and Vehicle Technology Program â€“ Second Revised Staff Report

Additional submitted attachment is included below.

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March 22, 2018

Commissioner Janea A. Scott
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814

Re: Comments on the 2018-2019 Investment Plan Update for the Alternative and Renewable Fuel and Vehicle Technology Program – Second Revised Staff Report

Dear Commissioner Scott and ARFVTP Staff:

The Greenlining Institute ("Greenlining"), through Joel Espino's participation, is part of the ARFVTP Advisory Committee and appreciates the opportunity to provide comment on the 2018-2019 Investment Plan Update for the Alternative and Renewable Fuel and Vehicle Technology Program ("ARFVTP") – Second Revised Staff Report ("Staff Report"). Greenlining is a racial and economic justice nonprofit working to advance economic opportunity and empowerment for people of color through advocacy, community and coalition building, research, and leadership development. Greenlining is committed to fighting systemic and explicit disinvestment in communities of color through "redlining" practices.[1]

Greenlining acknowledges the hard work staff put into updating this draft report in light of the Governor's ZEV executive order.

We reiterate the following points raised by Greenlining in our November 17, 2017 comments, the ARFTVTP advisory committee workshop on March 15, 2018, and provide additional recommendations.

In these comments, we highlight the state policy context that has created a value set in prioritizing and maximizing equity outcomes in transportation electrification and clean energy investments and policies. Aligning with these efforts will ensure the Commission is leveraging the ARFVTP investments in a way that maximizes societal good.

[1] *See*, Tanvi Misra, "A Digital Window in the Roots of Redlining."

I. Background: Racial Equity Must be Prioritized in Transportation Electrification

Historically, California's transportation investments and plans have done a poor job of meeting the needs of low-income communities of color. As a result, there are well-documented racial disparities in the distribution of transportation burdens and benefits. People of color are subject to disproportionate levels of toxic smog, and typically experience longer, costlier, and more unreliable commutes than whites. Approximately 90 percent of people living in the poorest, most polluted "Disadvantaged Communities," as defined by the California Environmental Protection Agency, are people of color.[2] A business-as-usual approach will perpetuate structural racism in transportation investments and will fail to leverage these investments in a way that optimizes pollution reduction, economic opportunity, and mobility in communities of color.[3]

In the field of transportation electrification, Greenlining works to promote policies and programs that advance the creation of a diverse, inclusive, and equitable economy that provides low-income communities of color real access to green jobs and green entrepreneurial opportunities; real access to electric vehicle benefits; and real access to mobility options that promote cleaner air, promote walkability, promote mass mobility, and reduce household travel costs.[4]

II. Goals and Programs Ensuring Benefits to Disadvantaged and Low-Income Communities and Related Goals to Increase Transportation Electrification in Disadvantaged and Low-Income Communities in Senate Bill 350 (De León, 2015), Senate Bill 1275 (De León, 2014.

In recent months and years, various California policies and programs have set objectives and commitments targeting benefits to disadvantaged and low-income communities.

- SB 535: Directed a portion of the revenue generated by AB 32 into disadvantaged communities to invest in the communities most impacted by the cumulative impacts of poverty and pollution.
- AB 1550: Updated SB 535 and requires at least 25% of cap-and-trade investments to be spent in disadvantaged communities with an additional 10% benefiting low-income communities and households, for a total of 35% going to disadvantaged and low-income communities.
- SB 1275: Known as the Charge Ahead California Initiative, this bill states that California must "increase access for disadvantaged, low-income, and moderate-income communities and consumers to zero-emission and near-zero-emission vehicles, and to increase the placement of those vehicles in those communities and with those consumers to enhance the air quality, lower greenhouse gases, and promote overall benefits for those communities and consumers." As directed by this bill, the California Air Resources Board has created

[2] *See*, Union of Concerned Scientists and The Greenlining Institute, "Delivering Opportunity: How Electric Buses and Trucks Can Create Jobs and Improve Public Health in California."
[3] *See*, "Systemic Inequality: How America's Structural Racism Helped Create the Black-White Wealth Gap"; "Race Counts: Advancing Opportunities for All Californians."
[4] *See*, The Greenlining Institute's "Mobility Equity Framework"; Greenlining's Equity in EVs work.

EV equity programs and has invested $218 million to date with $100 million proposed for these types of programs for fiscal year 2018-19.[5]

- AB 197: Requires CARB to protect the state's most impacted and disadvantaged communities and to consider the social costs of the emissions of greenhouse gases when developing climate change programs.
- AB 523, which requires the CEC to spend at least 25% of the Electric Program Investment Charge fund for technology demonstration and deployment at sites located in, and benefiting, disadvantaged communities, and additional 10% to fund projects located in and benefiting low-income communities, for a total of 35% going to disadvantaged and low-income communities.
- Recently announced CPUC equity program that directs 25% of funds for distributed energy storage to low-income households and environmentally burdened communities throughout the state.
- SB 92, which requires that the Air Resources Board strive to ensure at least 35% of funds from VW's ZEV Investment plan benefits low-income and disadvantaged communities. In fact, VW anticipates exceeding the 35% minimum investment in low-income and disadvantaged communities across all its investment categories.
- Volkswagen Environmental Mitigation Trust, which is currently projected to direct 50% of the $423 million fund into low-income and disadvantaged communities, as based on CARB's proposed spending recommendation.
- SB 350, which finds and declares that "[w]idespread transportation electrification requires increased access for disadvantaged communities, low- and moderate-income communities, and other consumers of zero-emission and near-zero-emission vehicles, and increased use of those vehicles in those communities and by other consumers to enhance air quality, lower greenhouse gases emissions, and promote overall benefits to those communities and other consumers. SB 350 also requires that the CPUC direct the utilities under its jurisdiction to file applications "to accelerate widespread transportation electrification to reduce dependence on petroleum, meet air quality standards, achieve the goals set forth in the Charge Ahead California Initiative . . . , and reduce emissions of greenhouse gases to 40 percent below 1990 levels by 2030 and to 80 percent below 1990 levels by 2050 (emphasis added).[6]

SB 350 also declared that there is insufficient understanding of the barriers for low-income customers to clean transportation. The bill therefore requires CARB to complete and publish a study on those barriers. CARB just finalized the study's guidance document, "Low-Income Barriers Study, Part B: Overcoming Barriers to Clean Transportation Access for Low-Income Residents," which outlines various barriers and actions to ensure clean transportation investments are benefitting low-income and disadvantaged communities.[7]

In order to meet the various goals set out by the SB 350 guidance document—and the multi-agency task force created to implement the actions in the document—it will be important to track the benefits of investments like ARFVTP, at the most granular level possible.

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[5] *See*, CARB FY 17-18 Low Carbon Transportation Funding Plan.
[6] *Id.*
[7] *See*, CARB, Guidance Document.

III. Recommendations

To maximize the environmental equity and economic equity outcomes of ARVTP investments and align with growing efforts to maximize benefits and minimize burdens for low-income and disadvantaged communities, we recommend the following:

- To the extent feasible, the Commission should track and report ARFVTP investments in "disadvantaged communities" ("DAC") as defined by the California Environmental Protection Agency ("CalEPA") pursuant to SB 535.[8] We especially encourage this reporting for the EV related investments of ARFVTP portfolio and greatly appreciate the Commission's openness to adding a DAC GIS layer to the ARFVTP Project Map tool.[9]
- In light of the growing trend around minimum investments in disadvantaged communities and statutory goals in elevating equity in transportation electrification, the Commission should require that a at least 25 percent of its ARFVTP investments go to projects in disadvantaged community census tracts as defined by CalEPA. We strongly recommend that the transportation electrification investments within ARFVTP, should have this minimum threshold of 25 percent in DACs pursuant to SB 535.
- The Commission should require an equity program or component in CALeVIP program to maximize EV equity funds from the California Air Resources Board pursuant to SB 1275, the Charge Ahead California Initiative.
- The Commission should require "high road" agreements in its "Manufacturing" investment category to ensure companies receiving funds promote fair, equitable, and inclusive economic opportunities for workers, trainees, and small diverse-owned businesses (see our November 17 comments).
- In light of growing income inequality, the Commission and interested stakeholders in the "Workforce Training and Development" investment category should work to ensure projects funded through this program maximize equity outcomes (more info below).[10] To this end, Greenlining has been working and will continue to work with other advisory committee members to develop a proposal for the Commission's consideration and collaboration. In December 2017, Greenlining convened members from California Labor Federation, Employer Training Panel, and California Workforce Development Board. We plan to continue engaging with them (and relevant partners) to develop a proposal and strategies to maximize workforce equity outcomes.

[8] See, https://oehha.ca.gov/calenviroscreen/sb535.
[9] See, http://www.energy.ca.gov/transportation/arfvtp/project_map.html.
[10] "Delivering Opportunity: How Electric Buses and Trucks Can Create Jobs and Improve Public Health in California", at: http://www.ucsusa.org/sites/default/files/attach/2016/10/UCS-Electric-Buses-Report.pdf.

IV. Conclusion

Thank you for all the work in developing the Staff Report and thank you for the opportunity to comment. We look forward to continued engagement with the Commission, the ARFVTP advisory committee, and other relevant stakeholders on creating an equitable ARFVTP program that works to uplift our most vulnerable Californians.

Sincerely,

/s/ Joel Espino

Joel Espino
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