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PGE_Barriers Study Comments

Additional submitted attachment is included below.

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California Energy Commission
Dockets Office, MS-4
Docket No. 17-IEPR-08
1516 Ninth Street
Sacramento, CA 95814-5512

Re: Docket 17-IEPR-08: Pacific Gas and Electric Company Comments on the August 1, 2017 Integrated Energy Policy Report Joint-Agency Workshop on Barriers Study Implementation

Pacific Gas and Electric Company (PG&E) appreciates the opportunity to provide comments on the August 1, 2017 Integrated Energy Policy Report (IEPR) Joint-Agency Workshop on implementation of the *Low-Income Barriers Study, Part A: Overcoming Barriers to Energy Efficiency and Renewables for Low-income Customers and Small Business Contracting Opportunities in Disadvantaged Communities* (Barriers Study) hosted by the California Energy Commission (CEC) and the California Public Utilities Commission (CPUC). PG&E's key points in response to the day's discussion include:

- Community impacts are an important procurement consideration that PG&E has weighed for years but external reliability needs can overrule procurement decisions, and;
- PG&E's transportation electrification strategies carefully and fully consider disadvantaged communities.

PG&E appreciated the opportunity to participate in this workshop and looks forward to working with staff on this important effort.

I. Power Procurement Decisions Reflect Numerous Considerations

Commissioners recommended at the workshop that load-serving entities (LSEs), and specifically, investor-owned utilities (IOUs), make an effort to consider impacts to disadvantaged communities (DACs) in their procurement process. PG&E has incorporated consideration of the impacts of power procurement (e.g., gas-fired and other emitting sources) on environmental justice communities and DACs since 2000 and with a formalized process since 2008. As a result, PG&E has avoided, mitigated, and curtailed environmental impacts on DACs

in its procurement process for long-term baseload power. A challenge remains in meeting “must run” and other reliability concerns that can lead to a company procurement preference that reflects consideration of DACs being overruled by broader requirements of regulatory agencies. Coordination of priorities across agencies remains hugely important to ensure grid reliability while protecting the most vulnerable customers.

II. Responses to Commissioners’ Questions

A. What is the Diversity Spend Amount in Disadvantaged Communities?

PG&E does not track procurement spending by geographic parameters such as a DAC. However, PG&E is proud of its industry-leading supplier diversity results. In 2016, PG&E directed \$2.85 billion or 44.4 percent of its total procurement toward diverse-certified firms.

B. What percentage of California’s DACs are in PG&E territory?

According to a CalEnviroScreen (CES) assessment of California census tracts with gas and electric service provided to PG&E, approximately 23 percent of the top ranked 25 percent of the state’s disadvantaged communities are located in PG&E’s service territory.

It should be noted that CES is a relative ranking of the most environmentally impacted disadvantaged communities. It does not assess absolute disadvantage as reflected in federal and state measures of poverty, so communities that may meet absolute definitions of poverty may not be represented in the CES rankings. Additionally, while CES is used by the State to identify “disadvantaged communities,” communities with high socioeconomic disadvantage, but low to moderate environmental impacts may not be ranked among the “most disadvantaged communities” in the CES tool.

C. What percentage of PG&E customers are in DACs?

“Disadvantaged community” is a relatively new lens through which to analyze economic need, environmental concerns, and disparate impact among utility customers. Traditionally, PG&E has not tracked the number of customers in DACs, but has rather analyzed and reported data (by zip code) on low-income households within PG&E’s service territory, as defined and required by the CPUC’s low-income programs. As referenced in PG&E’s response to Question II.B., although “disadvantaged” and “low-income” are not interchangeable terms, “low income” or poverty rates can provide important data insights into identifying disadvantaged communities. According to PG&E’s annual eligibility update for the California Alternative Rates for Energy (CARE) program, filed with the CPUC, as of February 2017, roughly 29.5 percent of PG&E’s customers are CARE Program eligible. This number has been declining slightly in recent years, down from 31.5 percent in 2014.

Additionally, PG&E is currently involved in efforts to identify disadvantaged communities in the San Joaquin Valley (see CPUC proceeding Rulemaking 15-03-010) and increase access to affordable energy options in those communities. PG&E's preliminary research shows that 71 percent of all San Joaquin Valley households live in disadvantaged communities, which equates to 14 percent of all PG&E residential customers. PG&E will continue to coordinate with other investor-owned utilities to estimate the number of customers in disadvantaged communities across the remaining parts of the state and to align approaches in methodology, definition, and scope.

D. What Percentage of Energy Savings Assistance (ESA) Homes are Disqualified due to Asbestos?

In response to the Chair's question from the August 1 Workshop, PG&E provides the following information on disqualifications due to code or criteria violations, in addition to asbestos, that make it infeasible to provide ESA Program services. The presence of asbestos in a home is not specifically tracked in ESA, as the presence of undisturbed asbestos in a home does not automatically disqualify it from participating in ESA or from receiving ESA measures that would not disturb the asbestos. Asbestos can be a reason for disqualifying installation of certain measures in a home, but only when it is disturbed, such as when a vent pipe is damaged or disconnected. If asbestos is present but the vent pipe is not damaged, a contractor may be able to safely proceed with the installation.

PG&E treated 74,319 homes in 2016, and 34,456 homes through June 2017. Of these, disqualifications were tracked in 12,917 ESA participant homes, for a 12 percent disqualification rate. Disqualifying criteria include potential health and safety issues and code violations, such as inadequate combustion ventilation access or the presence of non-PG&E gas appliances (e.g., propane appliances), which prevent ESA workers from conducting natural gas appliance safety testing.

E. What is PG&E proposing in its EV Fleet Ready program? What is being done about goods movement strategies?

PG&E's FleetReady program aims to accelerate transportation electrification by reducing upfront customer infrastructure costs for charging non-light-duty-vehicles, which is a known barrier to adoption. The program will provide financial support to customers for make-ready EV infrastructure – all of the infrastructure to supply electricity to electric vehicles up to, but not including, the charger. The program is scoped to satisfy demand for non-light-duty electric vehicles (EV) in PG&E's service area through 2022. This includes all transportation sectors including public transit, last-mile delivery, forklifts, and idle-reduction technologies. The program includes targeted incentives for disadvantaged communities and "beach head" sectors (school and transit buses) to propagate electric vehicle technology developments.

As designed, the program supports California's freight mobility plan by providing a foundation and financial support to "reduce adverse environmental and community impacts of the freight transportation system". In addition, PG&E is exploring expansion of the use of natural and renewable gas for medium- and heavy-duty applications, which can have a dramatic effect on improving air quality.

F. How are IOUs preparing for increased load from EVs? What rebate programs are available for DACs?

To date, grid impacts from EV charging has been minimal. The most recent Joint-Utility Plug-in Electric Vehicle Load Research Report shows that approximately 0.2 percent of electric vehicles in PG&E's territory have triggered residential distribution or service line upgrades¹. To manage increased residential load, PG&E offers EV owners a special EV rate that allows customers to shift EV charging to off-peak hours when there is excess capacity on PG&E's system and maximizes savings compared to gasoline.

PG&E is also launching the EV Charge Network program to deploy charging stations at workplaces and multi-family dwellings. Increased workplace charging access should allow customers to charge EVs mid-day, when there is surplus solar generation. Under this program, expected to officially launch in 2018, PG&E will install make-ready infrastructure for EV charging, and provide a rebate to customers for the purchase of a qualified charging station. Rebates are tiered based on site type (workplace and multi-unit dwelling) and DAC designation, with multi-unit dwellings in DACs receiving the largest rebate amount.

PG&E also manages a vehicle-purchase rebate for residential EV owners, the Clean Fuel Rebate, which rewards EV drivers who apply with a one-time, \$500 cash incentive². This program is available to all PG&E residential customers, regardless of geographic location or income status, and is funded through the state's Low Carbon Fuel Standard (LCFS).

¹ <http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M171/K806/171806139.PDF>

² https://www.pge.com/en_US/residential/solar-and-vehicles/options/clean-vehicles/electric/clean-fuel-rebate-for-electric-vehicles.page?WT.mc_id=Vanity_cleanfuelrebate-ev

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III. Conclusion

PG&E appreciates this opportunity to comment on the August 1, 2017 Joint-Agency IEPR workshop on Barriers Study implementation and looks forward to continued participation in this important work.

Sincerely,

/s/

Wm. Spencer Olinek