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Comments Re: Senate Bill 350 Low-Income Barriers Study Implementation

Comments of the Sacramento Municipal Utility District On Senate Bill 350 Low-Income Barriers Study implementation

Additional submitted attachment is included below.

**STATE OF CALIFORNIA
BEFORE THE CALIFORNIA ENERGY COMMISSION**

In the Matter of:

2017 Integrated Energy Policy Report

Docket No. 17-IEPR-08

**RE: Senate Bill 350 Low-Income
Barriers Study Implementation**

**Comments of the Sacramento Municipal Utility District On
Senate Bill 350 Low-Income Barriers Study Implementation**

The Sacramento Municipal Utility District (“SMUD”) appreciates the opportunity to provide these comments to the California Energy Commission (“Commission”) on the 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”).¹ These comments address the Barriers Study as well as the Joint Agency Workshop on Senate Bill 350 Low-Income Barriers Study Implementation hosted by the Commission on August 1, 2017.

SMUD provides assistance to our disadvantaged and lower income customers through rate assistance and energy efficiency measures, and continually examines and revises program offerings and efforts to make them as effective as possible. SMUD has about 20% of our residential customers on our Energy Assistance Program Rate (EAPR), which provides a significant discount on electricity bills for qualified customers. In 2019, SMUD will refocus that program to more effectively target those customers with the most need for bill relief – those with the highest electric bill burden (EBB) in comparison to income. In concert, SMUD also focuses energy efficiency programs on these customers, helping to reduce their electric bill burden. This year, SMUD has added \$10 million to the budget for low income energy efficiency programs, and is using hourly meter data to target customers that may be most affected by moving in 2019 to default time of day (TOD) rates.

SMUD provides the following general recommendations as the Commission and other stakeholders continue to consider and implement programs to overcome the barriers identified:

- Programs should use design criteria and metrics that look beyond just energy savings and move toward a concentration on greenhouse gas (GHG) reductions.

¹ California Energy Commission, December 2016, *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*, Document No. CEC-300-2016-009-CMF.

- Programs should be rolled out in such a way that affords flexibility to local agencies in tailoring them to best suit their region and customer base.
- Programs should provide all low income customers with options and opportunities in general, and not concentrated solely on disadvantaged communities.
- Programs should expand on the state's Level 1 calculation of the Urban Heat Island Index (UHII) to allow distinction between the sources and receptors of excessive heat pollution, and incorporate this information into the next version of CalEnviroScreen. This will allow more efficient targeting of utility and local government heat reduction policies and mitigation measures.

The remainder of these comments provides examples of programs and efforts that SMUD has in place or is considering to assist our lower income and disadvantaged customers and addressing barriers for their participation in the clean energy economy. For example, SMUD engages in programs associated with two of the key areas called out in the Barriers Study and workshop as described below.

- **Potential Solutions for Multifamily Building Clean Energy Issues:** SMUD works closely with the Sacramento Housing and Redevelopment Agency in developing energy efficient retrofit solutions for their affordable housing properties. As part of the 2010-2012 American Recovery and Reinvestment Act (ARRA) funding, SMUD completed energy retrofits of 484 affordable housing apartments. Low-income tenants have also participated in SMUD's weatherization programs and pilots, as well as the EAPR subsidy. In addition, SMUD provides a number of programs and services to multi-family property owners, including technical assistance for common space areas, system incentives, and measure rebates. SMUD also includes water conservation measures in our low income and multi-family weatherization programs, such as faucet aerators and low-flow showerheads.

SMUD also has an incentive program to provide electric vehicle (EV) charging infrastructure to multi-family buildings in our service territory. The program will fund approximately 200 Level 2 chargers at multi-family locations per year, with an incentive of \$1500 per charger. SMUD is also planning an integrated multi-family distributed energy resources program that would include options for energy efficiency, renewable generation, demand response, storage, and electrified transportation infrastructure.

- **Regional Service Delivery and Cross-Cutting One-Stop Shop:** SMUD coordinates with multiple low-income agencies in the Sacramento area. We work closely with city and county agencies to coordinate our low-income offerings. For example, SMUD has an explicit Memorandum of Understanding with the City of Sacramento that allows "auto-enrollment" of SMUD's EAPR customers in the City's low-income discounts for city utilities (water, sewer, etc.) and the automatic credit of the City's utility user tax that SMUD collects. We have partnership agreements with Sacramento Metropolitan Air Quality Management District (SMAQMD), Sacramento Housing and Redevelopment Agency (SHRA), local

water districts, Sacramento Food Bank, local school districts, and many non-profit agencies. We fund a monthly Network Connections meeting for low-income agencies that is administered by the Sacramento Food Bank.

In further examining a cross-cutting one-stop shop construct for the SB 350 Barriers Implementation process, SMUD recommends working with utilities that have already engaged in such coordination in their communities, and avoiding duplicating these already existing efforts.

Additional SMUD low income and disadvantaged communities programs and planned efforts are summarized below, without mapping these to the specific key issues in the Barriers Study.

Projects Funded with Cap and Trade Revenue: Separately from the State's Greenhouse Gas Reduction Fund (GGRF) funding for programs in disadvantaged communities, SMUD funds a variety of programs to benefit disadvantaged communities and customers using Cap and Trade revenue, and is developing additional programs. SMUD can see a surplus of allowances from the Cap and Trade allocation, particularly high hydro years, and has sold those allowances in quarterly auctions. The revenue has been used to fund several GHG reducing project in SMUD's service area, including the following projects which directly benefit disadvantaged communities and customers:

- SMUD funded three annual programs that delivered deep energy efficiency retrofits to low-income customers. In 2013, the program served about 67 customers with more extensive investments, yielding about 40% energy savings for \$14,000 per home. In 2014, the program served 1,000 customers with \$2,000 spent on energy efficiency upgrades per customer, yielding an average 10% savings. The 2015 program was designed to be midway between these alternatives.
- A program to electrify a local truck stop and refrigerated trucking distribution center, using electricity instead of diesel engine idling to provide truck services such as air conditioning and refrigeration while the trucks were stationary. This reduces diesel emissions and noise impacts in the community.
- Assisting construction of a dairy digester combined heat and power unit at a local dairy. This project reduces methane emissions on-site and GHG emissions on the power grid, and also has local environmental benefits by reducing odors and dairy wastewater problems.
- A program to train high school students in underserved communities in energy audit techniques, leading to energy efficiency retrofits at the students' seven schools and potential career paths for the students. This program was expanded and included in SMUD's regular energy efficiency program structure after the initial AB 32 funded effort.
- A program to fund and demonstrate deep energy efficiency retrofits at local non-profits and small businesses. This program assisted the Child Abuse Prevention

Center and the Sacramento Food Bank, helping them to reduce their energy costs and allowing more money for services to disadvantaged communities.

SMUD's EnergyHelp Program: In addition to the discounted rates, SMUD runs an "Energy Help" program, where our more fortunate customers assist those that are disadvantaged:

- SMUD's EnergyHELP program provides qualified low-income customers with immediate financial assistance to keep their lights on. The program is voluntarily funded by customers who donate anywhere from \$1 to \$100 a month on their own monthly bills.
- Since launching EnergyHELP in 2004, participants have donated more than \$5 million to assist more than 33,000 of their fellow SMUD customers.
- With SMUD covering the program's administrative costs, 100 percent of the pledges go directly to customers in need.

SMUD's Energy Efficiency Programs: SMUD also has energy efficiency programs aimed at lowering energy use and hence energy bills of our lower income customers. Our low income weatherization program includes:

- Energy audits, direct one-on-one education and information interactions with customers, and installation of free energy saving measures, such as insulation and efficient light bulbs, to low-income homes (single-family and apartments) to help reduce electricity bills and to increase safety and comfort. Eligible participants may also receive an Energy Star refrigerator to replace an old, inefficient unit.
- Energy education services to groups and individuals, and partnerships with contractors and community organizations to serve eligible customers for services such as minor home repair, window replacement, and HVAC system repair or enhancement.

SMUD is also implementing additional programs and examining how well they will work in pilot demonstrations. For example:

- SMUD has a partnership effort the State's Community Services and Development Department's Low Income Weatherization Program (LIWP) and Grid Alternatives to install deep energy retrofits and weatherization measures and support the installation of solar. SMUD sends direct mailings to eligible customers (e.g., EAPR customers in disadvantaged communities). Interested customers can get a deep home energy efficiency retrofit (including heating/cooling upgrades, attic insulation, refrigerator replacement, weather-stripping and light-emitting diode (LED) lighting) along with rooftop solar funded by LIWP. Customer roofs must be adequate for solar installation. SMUD also has a new partnership with Habitat for Humanity to repair roofs that are not adequate so that the LIWP/Grid Alternatives partnership can be considered.

- Energy retrofits (small bundle) in which we install programmable communicating thermostats or refrigerators, LEDs and power strips.
- Education workshops and education online include Voluntary Income Tax Assistance (VITA), My Account assistance, and Education Digital Delivery.

Solar Offerings to Low-Income Customers: SMUD has or is developing a variety of solar programs targeted to disadvantaged communities and customers, including:

- SMUD plans to expand its groundbreaking Solar Shares program to offer a specific component for EAPR customers and customers located in disadvantaged communities.
- SMUD is also supporting an independent solar developer's successful proposal to the U.S. Department of Energy for a Sunshot grant to install a photovoltaic (PV) system intended to shade the parking lot of a Community Resource Project neighborhood assistance center in a low-income local community.
- SMUD has an internal proposal being considered that will demonstrate that community-owned, customer shared solar projects on urban in-fill sites can provide economic and environmental benefit to low-income neighborhoods and marginal small businesses in disadvantaged areas without requiring cross-subsidies from other ratepayers.
- SMUD participates in a State program where low-income apartment buildings can install solar and have PV generation installed on common areas on-site reduce individual apartment bills.
- SMUD has also partnered with the State's Community Services and Development Department's Low Income Weatherization Program (LIWP) and Grid Alternatives to offer rooftop solar to qualified customers in addition to deep home weatherization (program also mentioned under Energy Efficiency). To date, this partnership has installed ~60 new rooftop solar systems on low income homes.

Electric Transportation Programs for Low-Income Customers: SMUD has or is developing a variety of electric vehicle (EV) programs targeted to disadvantaged communities and customers, including:

- SMUD is participating in the Sacramento Green City effort that has resulted from the Volkswagen settlement. Part of this program is aimed at improving electric vehicle access for and in underserved communities.
- SMUD is partnering with SMAQMD and SHRA to directly establish an EV car sharing program in DACs.
- SMUD is partnering with local school districts in disadvantaged areas to demonstrate the benefits of electric school buses.
- SMUD is considering implementing a specific vehicle incentive program targeted at EAPR customers. Selected customers would receive a voucher in the mail redeemable for a \$1000 incentive for a new or used electric vehicle at a planned "ride and drive" event in Elk Grove.

Community Outreach and Development: SMUD serves one of the most diverse regions in the country, and our outreach and communications efforts reflect that diversity. In 2016, SMUD's messages could be seen or heard in 15 communication channels, providing information in more than 10 languages. These efforts generated more than 307 million ethnic customer impressions. SMUD participated in more than 200 cultural and ethnic events in 2016.

This year we launched a new Community Development program called Shine in which matching grants will be targeted at local non-profits and neighborhoods to improve the environmental, economic and cultural life of our communities. Grants will range from \$10,000 to \$100,000 dollars. Highlights include:

- The program was tested with three pilots – in North Sacramento, downtown Sacramento and Oak Park.
- Grants may include funding for park improvements, lighting enhancements, pool operations costs, energy efficiency upgrades for community centers, and neighborhood art and cultural projects.
- SMUD also partners with the Sacramento Tree Foundation to provide free shade trees at no cost to the participating customer, enabling disadvantaged customers to participate in the program and reduce their energy costs.
- SMUD also sits as the Publicly Owned Utility representative on the Board of National Energy and Utility Affordability Consortium, which sponsors a primary utility low-income program conference annually.

Environmental Justice Resiliency Programs: SMUD is an active member of the Capital Region Climate Readiness Collaborative, which has a focus on Environmental Justice (EJ) via identifying climate adaptation risks and assisting with projects to protect the most vulnerable. We expect to use that forum for local dialog and planning for implementation of SB1000 which now requires a focus on EJ in General Plans. SMUD has also developed a Pilot Natural Refrigerant Incentive program that provides an incentive bonus for projects located in DACs (as a way to encourage the continued existence of smaller, independent grocery stores in what would otherwise be food deserts).

Training and Education: SMUD is active in training programs for disadvantaged communities. Our Power Pathways program is a partnership with PG&E and American River College to provide electric job training in a pre-apprentice program for military veterans. Ten graduates of the program used their training to help land jobs at SMUD.

Additionally, SMUD introduced a scholarship program in early 2016. The "Powering Futures" program awarded scholarships ranging from \$1,000 to \$5,000 and also provided paid internships at SMUD. SMUD received 650 applications. In awarding scholarships, SMUD considered the financial needs of the applicants, and gave preference to students majoring in the STEM fields of study – science, technology, engineering and math.

SMUD also has need-based scholarship programs for local students. Twenty-one (21) students were awarded scholarships for the 2016-2017 academic year. In addition, twenty-five Sacramento County high school students serve six-week internships with SMUD each summer. Diversity and inclusion are important parts of all SMUD internship programs.

Thank you for the opportunity to provide comments.

/s/

LOURDES JIMENEZ-PRICE
Senior Attorney
Sacramento Municipal Utility District
P.O. Box 15830, MS A311
Sacramento, CA 95852-0830

TIMOTHY TUTT
Program Manager, State Regulatory Affairs
Sacramento Municipal Utility District
P.O. Box 15830, MS A313
Sacramento, CA 95852-0830
cc: Corporate Files (LEG 2017-0401)