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California Housing Partnership Corporation and GRID Alternatives Comments on 17-EVI-01

See attached comments of the California Housing Partnership Corporation and GRID Alternatives on 17-EVI-01 Block Grant for Electric Vehicle Charger Incentive Projects (CALeVIP).

Additional submitted attachment is included below.

October 12, 2018

California Energy Commission
Docket Unit, MS-4
1516 Ninth Street
Sacramento, CA 95814-5512

VIA DOCKET
Energy Commission Docket 17-EVI-01

Re: 17-EVI-01 Block Grant for Electric Vehicle Charger Incentive Projects

Dear Commissioners:

The California Housing Partnership Corporation (CHPC) and GRID Alternatives (GRID) submit the following comments regarding the proposed 2019 CALeVIP Projects Roadmap, and the overall California Electric Vehicle Infrastructure Project (CALeVIP), funded by the Alternative and Renewable Fuel and Vehicle Technology Program (ARFVTP). We are responding to the Commission's request for stakeholder input to inform the Roadmap, as well as specific stakeholder questions posed during the September 27, 2018 Staff Workshop in Sacramento.

I. Ensuring Electric Vehicle Charging Access for Low-Income Households

CHPC and GRID are encouraged by staff's comments at the Staff Workshop about being open to creating a low-income incentive under CALeVIP, and we strongly support implementing such an incentive as part of the 2019 Project Roadmap. The development of a dedicated low-income CALeVIP incentive will ensure equitable distribution of CALeVIP funds, and aligns with the recently enacted SB 1000, which directs the Commission to assess whether charging station infrastructure is disproportionately deployed by income levels and other factors.[1]

Meeting the Governor's goal of 5 million ZEVs in California by 2030 will require rapid growth of electric vehicle adoption by low-income households. GRID is currently partnering with the California Air Resources Board (CARB) to launch their upcoming One-Stop-Shop Pilot Project[2] to address a core recommendation of the Senate Bill 350 Low Income Barriers Study[3] and provide streamlined access to CARB's ecosystem of low carbon transportation equity incentive programs. While these programs do include additional incentives for some participants to install home Level 2 charging stations, those benefits are effectively only available to homeowners who have the ability to install their own charger. Given that roughly two-thirds of all low-income

[1] Pub. Resources Code § 25231(a).
[2] https://gridalternatives.org/sites/default/files/One%20Stop%20Shop%20Announcement%208.22.18.pdf
[3] https://www.arb.ca.gov/msprog/transoptions/sb350_final_guidance_document_022118.pdf

Californians are renters[4], ensuring that low-income households have robust access to community charging infrastructure will be critical to unlocking this key market segment.

Current CALeVIP program guidelines that establish higher incentive levels and minimum percentage allocation for CALeVIP projects located in CalEnviroScreen Disadvantaged Communities ("DACs") are a helpful start, but are not in and of themselves sufficient to ensure that low-income households have robust and equitable access to charging infrastructure. Many chargers are physically located in DACs but do not offer significant access to low-income households - examples include chargers on corporate campuses that happen to be located in a DAC, or private, vehicle-specific fast-charging stations near highway corridors in a DAC. And conversely, there are many high-density clusters of low-income households living outside of DACs in communities throughout California. Because these communities by definition have less financial resources, and lower rates of EV early adopter activity, market forces are unlikely to bring significant EV charging infrastructure to these households without additional policy supports.

While low-income households have the least access to charging infrastructure compared to other Californians, they stand to gain the most from the benefits of ZEVs. In addition to being disproportionately impacted by pollution from tailpipe emissions, low-income households are also disproportionately burdened by the high operating costs of traditional vehicles. According to the Pew Charitable Trusts, low-income families spend 15.7% of their household income on transportation, the majority of which goes towards gasoline.[5] This is double the percentage paid by higher income households.

Low-income households also stand to disproportionately benefit from lowering the cost of operating a private vehicle in terms of employment. A recent study from USC found that car commuters in low-income neighborhoods in San Diego have about 30 times greater job accessibility than those who have to rely on public transit.[6] As low-income Californians are increasingly displaced from major urban job centers to find affordable housing and forced to commute back long distances for work, the impact of vehicle operating costs on employment has become increasingly large. Further, a new series of reports by CHPC and the UC Berkeley Urban Displacement Project found that rising housing costs between 2000 and 2015 have contributed to displacement of low-income people of color and resulted in new concentrations of poverty and racial segregation in the Bay Area.[7] This displacement also speaks to the need for equity programming that includes but is not limited to investment in DACs, given the rapidly changing geography of poverty in California.

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[4] Analysis of 2012-2017 American Community Survey Data available at: http://factfinder2.census.gov/bkmk/table/1.0/en/ACS/12_1YR/S2503/0100000US.05000.003

[5] https://www.pewtrusts.org/en/research-and-analysis/issue-briefs/2016/03/household-expenditures-and-income

[6] https://www.sciencedirect.com/science/article/pii/S0965856416302737

[7] https://chpc.net/resources-library/

We strongly support continuous investment in transit-oriented affordable housing through the cap-and-trade funded Affordable Housing Sustainable Communities[8] program in order to address these issues structurally. But until access to transit-oriented affordable homes and affordable homes near job centers increases dramatically, we must ensure that low-income Californians forced to commute long distances and facing disproportionate gasoline burdens have robust and equitable access to ZEV technology and infrastructure.

II. Creating Program Provisions that Specifically Address the Needs of Multifamily Affordable Housing Complexes

One sub-market that would particularly benefit from a dedicated low-income CALeVIP incentive would be the state's multifamily affordable housing sector. CHPC in particular is uniquely situated to speak to the needs of this sector. The State Legislature created CHPC in 1988 to help preserve California's existing supply of affordable homes and to provide leadership on affordable housing policy and resource issues. Since then, CHPC has worked with fellow affordable housing creators and preservers statewide to ensure that low-income Californians have the opportunity to live in a home that fosters a healthy, productive life. In partnership with nonprofit and government housing agencies, the California Housing Partnership provides the expertise, technical assistance, and advocacy leadership necessary to create and preserve homes affordable to those with the fewest housing choices. Since 2010, CHPC has convened the Green Rental home Energy Efficiency Network (GREEN) of over 50 nonprofit affordable housing providers and housing authorities to increase access to solar, energy efficiency and water conservation resources for low-income renters.

A dedicated low-income CALeVIP incentive that meets the needs of the affordable housing sector aligns with the recommendations of the Commission's recently released Clean Energy in Multifamily Buildings (CLIMB) Action Plan[9]. The CLIMB Action Plan also calls for enhanced coordination among existing programs serving the multifamily sector across different agencies. In that vein, we recommend that the Commission coordinate its efforts with the Public Utilities Commission's new Solar on Multifamily Affordable Housing (SOMAH) program.[10] At a minimum, we recommend that the Commission use the same definition of deed-restricted affordable housing as SOMAH.[11] In addition to providing CALeVIP with an already established requirement for defining affordable housing based on existing statutory and regulatory language, using the SOMAH definition of affordable housing will facilitate greater uptake of the new incentive by enabling any affordable housing complex participating in SOMAH to easily add charging infrastructure to their solar project. CHPC and GRID are part of the SOMAH statewide program administration team, led by Center for Sustainable Energy (CSE), and together can help facilitate coordination. We can also help ensure that components of the SOMAH program

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[8] https://1p08d91kd0c03rlxhmhtydpr-wpengine.netdna-ssl.com/wp-content/uploads/2017/06/AHSC_Brief_June17_FINALv2.pdf
[9] https://efiling.energy.ca.gov/getdocument.aspx?tn=224513
[10] D.17-12-022, http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M201/K940/201940057.pdf
[11] See the eligibility criteria in the filed proposed SOMAH Handbook at CalSOMAH.org.

criteria not related to the definition of affordable housing, such as the SOMAH requirement that housing complexes be able to switch to virtual net metering (VNEM), do not get accidentally applied to CALeVIP and inadvertently reduce participation.

We do strongly recommend one modification to the SOMAH housing eligibility criteria, which is to allow both new and existing affordable homes to access low-income CALeVIP incentives. New multifamily affordable properties will be subject to new code requirements for additional charge-ready parking spaces, and require new incentives to install charging facilities in order to enable these added costs for affordable housing development to result in real benefits. This proposed modification does not change the types of affordable housing communities that would be eligible, but would enable housing owners to incorporate charging infrastructure during the initial construction phase. New construction is the ideal time to incorporate charging infrastructure, both from a technical construction standpoint, and from a community standpoint. GRID's experience with retrofit EV charging projects on affordable housing sites has taught us that building charging infrastructure into new construction can avoid major challenges around reprogramming how parking spaces are allocated and shared in existing housing communities.

When designing the structure of a charging incentive to meet the needs of multifamily affordable housing complexes, the Commission should be highly cognizant of the significant financial and logistical barriers to charging infrastructure deployment faced by this sector. Affordable housing owners are typically nonprofits with major financial constraints, complex housing financing restrictions, and very limited staff capacity to put towards implementing charging infrastructure projects. In addition, affordable housing sites by definition will have limited opportunity to generate charging revenue from low-income tenants, which in turn limits their ability to leverage project financing from for-profit charging companies.

As a result, standard CALeVIP requirements for host sites to contribute significant matching funds will likely result in very limited uptake. We recommend that a dedicated low-income CALeVIP incentive follow the model of California's existing low-income solar programs, such as SOMAH and the Single-family Affordable Solar Homes (SASH)[12] programs, and provide significantly higher incentive levels that cover up to 100% of the project cost for eligible host sites. These low-income solar programs also offer useful, established models for pairing higher incentive levels with requirements for projects to provide significant additional co-benefits, such as integration of workforce development opportunities and tenant outreach and education activities into each project. Workforce development requirements should be coordinated with the Commission's overall workforce development goals, and tenant outreach and education activities should be coordinated with CARB's low carbon transportation equity incentive programs for maximum impact. GRID has served as the CPUC's statewide Program Manager for the SASH program since 2008, and can provide support and share best practices around co-benefit programming with the Commission as needed.

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[12] http://www.cpuc.ca.gov/General.aspx?id=3043

III. Creating Additional Site Options for siting Charging Infrastructure for Low-Income Households

In addition to multifamily affordable housing complexes, other types of site hosts will be required for a dedicated low-income CALeVIP incentive to ensure robust and equitable access to charging infrastructure for low-income households. Affordable housing chargers located in parking lots of of multi-unit dwellings (MUDs) typically are restricted to residents of the housing development where they are sited, so additional charging options will be required for the surrounding community. Additional site locations will also benefit the affordable housing sector by not placing the entire burden of infrastructure on housing owners facing major barriers to implementation, and allowing affordable housing tenants to charge vehicles at other locations that are convenient for their lives. Many affordable housing owners may wish to wait to install charging infrastructure until their tenants begin purchasing more plug-in vehicles, creating a "chicken and egg" scenario for tenants if they don't have other accessible charging options.

We recommend that the Commission consider nonprofit community facilities that specifically serve low-income residents as a second eligible category host site for a dedicated low-income CALeVIP incentive. Eligibility could be determined through a combination of 1) proof of tax-exempt status through section 501(c)(3) of the Internal Revenue Code; 2) documentation that the nonprofit owns the charging location; and 3) documentation indicating that the majority of clients served by the nonprofit are low-income, using standard federal definitions of low-income used by California's existing low carbon transportation equity and energy equity programs. Charging infrastructure at these facilities can also benefit the vehicles of nonprofit staff members, many of whom are from the communities they serve, as well as nonprofit mobility-based services, such as Meals on Wheels programs and shuttle bus services for low-income seniors and people with disabilities.

We recommend that the Commission use the same incentive structure as recommended previously for multifamily affordable housing complexes, including the same requirements for co-benefits around workforce development and client outreach and education around clean transportation opportunities. Given that some very large, well resourced institutions, such as large hospitals and universities, also fall under this nonprofit exemption, the Commission could also include a requirement that the host site's budget not exceed a determined cap, as documented by the organization's public IRS Form 990 informational returns, to access this higher incentive.

IV. Pairing a Dedicated Low-Income CALeVIP Incentive with Robust Technical Assistance and Community Outreach

Finally, a low-income CALeVIP program must include comprehensive technical assistance. In addition to helping participants understand and compare charging bids, comprehensive TA is crucial to enabling participants to understand and overcome split incentive issues, financing constraints and other barriers specific to multifamily affordable housing and other nonprofit service providers. This technical assistance program should provide tailored business models, financing tools, project management resources and other tools to reduce the burdens of participation for nonprofit staff. Our nonprofit partners do not have the bandwidth or resources to overcome these barriers on their own.

We also recommend that a dedicated low-income CALeVIP incentive be paired with a robust community outreach strategy, built from the ground up for the unique needs and perspectives of low-income communities and communities of color, and a deep understanding of the affordable housing and nonprofit service provider communities. This outreach strategy should incorporate the recommendations of the SB 350 Barriers Study; incorporate partnerships with community-based organizations and other trusted intermediaries; and coordinate wherever possible with other climate investment programs, such as SOMAH, that target the same customer base. In addition, this outreach strategy should be closely coordinated with existing community outreach activities for CARB's low carbon transportation equity programs, to ensure that these charging projects successfully unlock broader adoption of electric vehicles by low-income households. As the administrator for CARB's One-Stop-Shop Pilot Project for these incentives, GRID is well positioned to facilitate that coordination.

This community outreach strategy would have the benefits of being fundamentally self-reinforcing, as "early adopter" affordable housing complexes and nonprofit facilities inspire their peers to follow their lead. We recommend publicizing early successful projects under a dedicated low-income CALeVIP incentive program, in order to drive that peer effect, and dispel the myth that electric vehicle charging infrastructure is just for "some communities".

Please do not hesitate to contact us should you require any additional information or have any questions regarding these comments. We look forward to continue working with the Commission to ensure that low-income Californians have robust and equitable access to electric vehicle charging infrastructure.

Sincerely,

Stephanie Wang
Policy Director, California Housing Partnership Corporation

Zach Franklin
Chief Strategy Officer, GRID Alternatives