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SB 350 Disadvantaged Communities Advisory Group Comments on 2019-2020 Investment Plan Update

Additional submitted attachment is included below.

June 28, 2019

Commissioner Patricia Monahan
California Energy Commission
1516 9th Street
Sacramento, CA 95814

Re: Disadvantaged Communities Advisory Group Comments on 2019-2020 Investment Plan Update for the Alternative and Renewable Fuel and Vehicle Technology Program

Dear Commissioner Monahan and ARFVTP Staff,

The Disadvantaged Communities Advisory Group (DACAG) appreciates the opportunity to provide its comments on the *2019-2020 Investment Plan Update for the Alternative and Renewable Fuel and Vehicle Technology Program*. The DACAG was created, pursuant to SB 350, to advise the California Energy Commission (CEC) and the California Public Utilities Commission (CPUC) on how programs can effectively reach and benefit communities disproportionately burdened by pollution and socio-economic challenges, including rural and tribal communities. The DACAG members represent the diverse nature of disadvantaged communities throughout the state, reflecting the different rural and urban, cultural and ethnic, and geographic regions.

The DACAG members believe that the following recommendations will help to better align the ARFVTP with California's policies around emissions reduction and around addressing specific harms and inequities experienced by California's disadvantaged and low-income communities.

Fund Projects Exclusively In and Benefiting DACs

The DACAG recommends targeting all program funding to disadvantaged communities, defined as:

- Census tracts in the top 25% of CalEnviroScreen scores;
- Tribal lands
- Census tracts with median incomes at or below 80% of area median income or state median income; and
- Households with median incomes at or below 80% of area median income.¹

This expansion beyond solely the CalEnviroScreen definition of DACs, which the program currently uses, will account for the communities in California that experience the greatest barriers to clean energy and clean transportation access. These are the communities in which the need for clean transportation alternatives is greatest, and where customers for all types of vehicles are most likely to need additional funding sources in order to access cleaner options. In the context of the California transportation sector,

¹ The DACAG has adopted this definition of "disadvantaged communities" as part of a broader Equity Framework that serves to guide our work. See "Disadvantaged Communities Advisory Group 2018 Annual Report," p. 7, available at <https://efiling.energy.ca.gov/getdocument.aspx?tn=227473>.

including all vehicle classes, the \$100m budget for this program is relatively quite small. As such, the CEC should direct its investments toward the communities where the funds will make the biggest difference.

The DACAG recommends that the CEC conduct periodic regional community needs assessments, so that its investment priorities and strategies can be informed by the communities it intends to benefit.

Prioritize and Invest in Proper Community Outreach and Engagement

The DACAG urges the CEC to prioritize and invest in proper community outreach and engagement in DACs, for the ARFVTP as well as for other investment programs. Historically, the majority of energy program funds have been allocated to larger, more affluent communities that have the staff capacity and resources to develop project concepts and submit project proposals. Unlike larger cities, most disadvantaged communities (DACs) *do not* have the resources to pay staff to research funding opportunities and develop project proposals, which result in DACs being ultimately left out of CEC investments, and possibly other investment opportunities.

Investing in and prioritizing *proper* outreach to DACs will help to end the decades of disparities between poor and more affluent communities. Community outreach and engagement should be done in partnership with local CBOs that understand community needs, who know how to engage residents and facilitate proper dialogue for residents to meaningfully participate in conversations and decisions about their community needs. This local engagement cannot be done by a statewide administrator. Several of the DACAG members have worked or work directly in DACs and with residents that reside in DACs for many years, which shows the firsthand knowledge of the level of community outreach and engagement needed for successful DAC participation. Finally, ensuring proper DAC community outreach and engagement demonstrates the CEC commitment to advancing DAC living conditions and commitment to equity.

Equitable Distribution of Program Benefits Across Disadvantaged Communities

In addition to focusing on strategic and intentional outreach and education in DACs, especially rural DACs, the DACAG recommends that more ARFVTP investments target rural communities. As discussed above, rural communities often have less local government resources and as such have a hard time pursuing opportunities like the ARFVTP. In particular, unincorporated communities are even further constrained in their access to programs like the ARFVTP, because there is no local government that can pursue these investments on their behalf. The DACAG recommends that the CEC take steps to ensure that the benefits of the ARFVTP are equitably distributed across disadvantaged communities.

Move 100% of Program Funding to Zero Emissions Fuels

The DACAG supports the CEC's move to wind down investment in natural gas. As the state moves away from fossil fuels, continued investment in natural gas technologies only prolongs the problem of stranded natural gas assets.

Similarly, the DACAG urges the CEC to move away from investments in biofuels, to a focus exclusively on zero emissions fuels for all vehicle classes. Biofuels are at best an expensive bridge to a cleaner future.

Given their limited supply and relatively high cost, the DACAG believes that the ARFVTP and the state's emissions goals overall will be best served by the program investing in the zero emissions fuels and electrified transit options that are cleaner as well as more feasible and cost-effective in the long term.

Expand Support for High Quality Workforce Development Opportunities

For a zero emissions future, we need not only cleaner technologies and fuels, we also need a workforce who can build and maintain it. The transition to cleaner transportation will create thousands of career-track jobs at a variety of skill levels, including design, manufacturing, maintenance, sales, and more. Workers in disadvantaged communities, as defined above, must have the opportunity to learn the skills needed to become part of the clean transportation revolution. Additionally, a trained workforce across the state, especially in maintenance and repair, is necessary to ensure that the consumer market for clean vehicles continues to grow. Customers are more comfortable buying an electric vehicle if they know they will not have to go too far to get the service and repairs they need.

To this end, the DACAG offers the following recommendations, described in more detail below:

- Increase the budget for workforce development
- Dedicate funds exclusively to programs in DACs and serving DAC residents
- Fund programs with demonstrated success in supporting participants
- Track the progress of program participants after they enter the workforce
- Consider support for programs that engage youth

First, the DACAG recommends that the CEC increase the budget for workforce development. Additionally, aligning with our recommendation to exclusively fund projects in and benefiting DACs, we recommend that the workforce development funds go exclusively to programs located in DACs and serving residents of DACs. Given the scale of the need for a skilled, trained workforce to build and maintain our clean transportation future, even an increased allocation of support from the ARFVTP is a relatively small - though important - contribution. As such, the DACAG recommends that the funds be directed to the communities that need them the most.

Additionally, the DACAG recommends that funding go to programs that have a demonstrated track record of success in recruiting, developing "soft skills," providing wrap-around support services (e.g. individualized plans based on an assessment of a full range of needs, such as child care, transportation, housing, mental health, physical health, financial stability, and educational achievement), and training and placing workers from low-income and disadvantaged communities into good jobs. These features are essential to ensuring that workforce development funding doesn't just provide select skills training, but also positions program participants to secure and succeed in family-supporting, career track jobs. California is home to many community based organizations, community colleges, relevant certification programs, pre-apprenticeship/apprenticeship readiness programs, and apprenticeship programs that provide this kind of essential, comprehensive support.

The DACAG further recommends the ARFVTP establish a system for tracking the progress of funded program participants, to ensure accountability and measure impact and progress. Specifically, the program should track:

- Job quantity: number of workers employed/trained; employment status (part-time/full-time, or percentage of full-time equivalency);
- Job quality: hourly wages, employer-provided benefits for hires, partners and dependents (medical and dental coverage, paid vacation and sick leave, retirement benefits) ;
- Job access: worker demographics, including gender, race/ethnicity, workers with barriers to employment; geographic location (census tract of residency); project subject to project-labor agreement, targeted hiring policies, or community workforce agreement; paid training opportunities; supports for transportation and childcare;
- Job retention: length of time employed, retention rate after 3, 6, 9, 12 months;
- Job classification: occupation, employee classification (employee, independent contractor, trainee, etc.), contractor classification (diverse- owned business, community based organization, etc.); and
- Career paths: number and type of certifications or credentials awarded, number of job placements for trainees/interns, number of trainees enrolled in pre-apprenticeship or state-certified apprenticeship programs; existing workforce and training partnerships with training providers, workforce agencies or community-based organizations

Finally, the DACAG recommends that the ARFVTP consider support and investment in early employment opportunities and career training for low-income and disadvantaged youth to prepare them for clean economy careers, to create a pipeline for the next generation of clean economy workers and to significantly increase the lifetime earning potential and economic mobility of youth.

Increase Transparency Around “Benefiting” Disadvantaged Communities

The DACAG commends the CEC on its commitment to projects in and benefiting DACs. However, it is not clear what criteria CEC or program applicants use to define “benefiting DACs,” nor is it clear how project applications are scored against this criteria. The DACAG recommends that the CEC clarify what it means for a project to benefit DACs. Applicants for grants should be able to clearly and transparently articulate direct benefits to DACs and residents, and when an applicant states that their project benefits DACs, information on what benefits the project delivers should be made public. Greater transparency will help the CEC better evaluate and maximize the impact of the ARFVTP on DACs.

Track and Measure Impact in Addition to Investments

The DACAG appreciates the tracking of investments in and benefiting disadvantaged and low income communities, and encourages the CEC to develop a framework for tracking impacts as well. Metrics should include local as well as global impacts. Emissions reductions are the obvious starting point, but the CEC should also track air quality impacts, as those are directly linked to human health outcomes. Additionally, the CEC should strive to quantify and track non-energy benefits like health impacts, local jobs and job quality metrics, OTHER.

Multi-Jurisdictional Coordination

Many transportation projects that stand to create significant environmental and local health benefits involve multiple agencies with overlapping jurisdictions, at the state, regional, and local levels. Often these projects are the most difficult to advance, given the need for coordination among the many different agencies with a role to play in the project in question. The DACAG submits that the CEC is well positioned to facilitate that kind of coordination, and that doing so will greatly improve the outcomes for multi-jurisdictional projects.

Consider and Prioritize Resiliency

Concerns about resiliency in an increasingly volatile climate are now heightened in California with the advent of Public Safety Power Shutoffs during high fire risk weather. In an emergency, it is critically important that people be able to get to safety, to medical facilities, to their families, etc. Without sacrificing any progress toward zero emissions vehicles, the CEC must prioritize resiliency as it advances the future of transportation. The CEC is well-positioned to do so, but must take intentional steps to align ARFVTP efforts with work at the CEC, CPUC, and elsewhere, to build a more resilient electric grid.

Consider the Composition of the Advisory Committee

Recognizing that the ARFVTP's enabling legislation requires certain categories of representation on the advisory committee, the composition of the committee leans heavily toward industry representatives who are advocating from a business / market perspective. The DACAG submits that the program would be well served by hearing from a broader, more representative set of stakeholders that reflects program beneficiaries, not just recipients. Examples of perspectives that should be amplified or augmented on the Advisory Committee include environmental justice communities, transit experts and advocates, workforce development programs and advocates, etc. Additionally, the CEC should ensure that it's ARFVTP Advisory Committee includes representation from rural communities and tribal lands.

Conclusion

The DACAG appreciates the opportunity to submit these comments to the CEC on its ARFVTP, and looks forward to continued dialogue with the CEC and interested stakeholders on the future of this important clean transportation program.

Sincerely,

- The Disadvantaged Communities Advisory Group

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