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NRDC and The Greenlining Institute's Comments on the 2020-2023 Investment Plan Update for the Clean Transportation Program

Additional submitted attachment is included below.

March 30, 2020

Docket: 19-ALT-01
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814

Re: Comments on the 2020-2023 Investment Plan Update for the Clean Transportation Program

Dear Commissioners and Staff,

The undersigned members of the Advisory Committee support your efforts and appreciate the opportunity to provide comments on the California Energy Commission's (CEC's) 2020-2023 Investment Plan Update for the Clean Transportation Program. The Clean Transportation Program is vital in helping stimulate economic activity and reduce air pollution and greenhouse gas emission, and we strongly support funding to accelerate zero-emission vehicle (ZEV) deployment. We offer the following comments to strengthen what is already a well-developed plan.

Three-year Planning Process

We support shifting to a three-year investment plan. At a time of rapid change and disruption in the global economy and transportation sector, a multi-year plan offers stability and sends a clear market signal. However, the investment plan should also be responsive to change and have the capacity to incorporate meaningful measurements and adjust as needed.

Equity

We support the CEC's inclusion of equity as a priority in the proposed investment plan and would like to encourage staff to continue to highlight and center these efforts to ensure a commitment to equitable access to clean transportation rather than having it be an afterthought or "related opportunity". Upon review of the CEC's funding plan and application of The Greenlining Institute's "Making Equity Real in Climate Adaptation and Community

Resilience Policies and Programs Guidebook"[1] it is recommended as best practice to apply equity through the four following steps:

1.) Embed Equity in the Mission, Vision and Values: This calls for policies and programs to explicitly state a commitment to equity and specifically identify the vulnerable populations they seek to benefit. The effort must aim to create comprehensive clean mobility strategies for communities that not only build the resilience of physical environments but address other health and economic injustices that transportation barriers and climate impacts exacerbate.
2.) Build Equity into the Process: The second step should include processes that deeply engage community members so as to learn about their priorities, needs and challenges to adapting to climate impacts, otherwise known as a Community Needs Assessment. The information gathered should inform the development and implementation of the policy or program. Given this best practice we suggest the strategies below.
    a.) Conduct an assessment of CEC's readiness to begin equitable community engagement work (i.e. Does our staff have an understanding of institutional racism, power, and systems change? Does our organization's management and leadership support the use of an equity lens? Does our team have existing relationships with community groups? Does our team have trust with the community?).
    b.) Require outreach staff and their leadership to participate in equity and community engagement trainings and workshops.
    c.) Ensure that the priority populations are defined and consistently considered in all equity investments and their associated tasks and outcomes.
    d.) Consider the differing mobility needs of communities by geography. With an understanding that urban, suburban and rural communities face different transportation barriers it is important that in the CEC's prioritization and application of equity, it recognizes this distinction. Where single occupancy electric vehicle incentives may be appropriate in one community, micro mobility or public transit may be best in another. It is through this idiosyncratic recognition that equity is most successfully realized.
    e.) Ensure transparency throughout all steps of the funding allocation and budgeting process. In order to strengthen this commitment, it is essential to clearly show proposed funding allocations for equity specific priorities. Table 5 in the funding plan should expand the "Related Needs and Opportunities" category to include any and all equity related funded activities and explicitly identify this category as ¨Equity Investments¨ should that be the intention of the CEC. We

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[1] Making Equity Real in Climate Adaptation & Community Resilience

encourage transparency in every step of the process as a best practice and recommend participatory budgeting strategies for consideration. Participatory budgeting can be used as a tool for community empowerment by including community members in how to spend a budget and assist in trust building efforts. See “SB 1000 Implementation Toolkit”[2] for examples.

f.) Consider developing criteria/ standards for the selection process of local Community Based Organizations (CBOs) or institutions in order to hold local administrators accountable to desired outcomes, ensure their own internal and external processes are equitable, and their staff exhibits readiness to engage with community members. We must recognize that not all CBO’s perform outreach activities in the same way, there are best practices and good standards, however not all CBO’s prioritize these approaches. In order to have a higher standard for community engagement done by CBOs we recommend staff include a set of standards that all CBOs will be held to in order to increase the level of effectiveness that we seek. We recognize the level of outreach will vary across the state, and understanding that there will be differences we want to establish a high bar for what local CBO engagement looks like. We strongly recommend staff consider what this standard looks like to set expectations for a high functioning and most effective local partnership.

3.) Ensure Equity Outcomes: Step 3 necessitates that the implementation of the policy or program must lead to equity outcomes that respond to community needs, reduce climate vulnerabilities, and increase community resilience. Outcomes include improved public health and safety, workforce and economic development, etc.

a.) Develop a long term funding plan for CBO and community college engagement and assistance. As has historically been the case in many priority populations/communities, when pilot programs and policies are introduced, initial investment to ramp up is often not followed by a long term funding strategy to continue providing support and upkeep of relationships with CBO’s and local institutions. In order to realize the equity benefits of community outreach, it is imperative that the trust and long term relationships built are maintained. In order to achieve this, we recommend developing a long term funding strategy to maintain trust and relationships with local communities for best outcomes.

b.) Compensate participants in data collection practices such as focus groups, surveys, interviews, etc. for their time and labor. It is a tenant of the equity field to ensure participants providing local knowledge be compensated justly for their

[2] SB 1000 Toolkit: Planning for Healthy Communities - California Environmental Justice Alliance

contribution. The information provided by priority populations/communities is often not valued equally to academic knowledge production and has historically been extracted by academic and professional institutions without just compensation. It is therefore imperative that local community knowledge is recognized and participants are compensated for providing valuable resources for furthering the state's work.

4.) Measure and Analyze for Equity: The final step in order to operationalize equity is to measure how equity has progressed and examine whether equity goals were achieved. Operationalizing equity calls for policies and programs to regularly evaluate their equity successes and improve the effort going forward.
    a.) Assess whether outcomes were responsive to the respective needs identified in the community needs assessment conducted out of Step 2 and if the outcomes reflected the funding plans equity purpose.

Only Fund Zero-Emission Technologies

Investments in emission reduction technologies should be consistent with and support the state's long-term climate and clean air goals. The deep cuts in carbon emissions and criteria pollutants needed means that the transportation sector must move to zero-emission technologies as quickly as possible. Public investments should avoid increasing reliance on combustion technologies in the transportation sector.

The California Air Resources Board is currently pursuing a Heavy-Duty Low NOx Program to reduce emissions from medium- and heavy-duty vehicles (M/HDVs). Consequently, this new emissions standard will require engines in new trucks to certify to lower-NOx emission standards. Nationally, EPA is also considering a federal low-NOx program. As a result, the move to low-NOx technologies will ultimately be required. The state's limited incentive funds should, therefore, strategically target the deployment of ZEVs to maximize emission reductions.

M/HD ZEVs are commercially available for almost all applications and classes. Smart investments must occur to accelerate deployment in this nascent market. The shift of resources from low-NOx combustion technology will allow regulatory requirements to do their job while ensuring that sufficient funding is available for commercially-ready and available zero-emission technologies today.

Alternatively, supporting combustion technologies, particularly where additional fueling infrastructure is required, locks in long-term fossil fuel investments that will ultimately cost more and produce more pollution than investments in ZEVs and risk becoming stranded assets.

As the CEC rightly recognizes, investments must prioritize disadvantaged communities that have suffered the greatest pollution burden. Only zero-emission technology can ensure these communities receive the most air quality and health benefits over the long-term. While low-NOx combustion vehicles can have near-term emission benefits, meeting the state's air quality and GHG emission requirements ultimately means rapid and accelerated deployment of ZEVs between now and 2030. In addition, even low-NOx technologies may not provide the most reliable and consistent long-term benefits if vehicle durability and degradation of emission controls occurs. Low-NOx combustion technologies alone also do not reduce upstream emissions and the community impacts associated with diesel and/or natural gas production, delivery, and storage.

Workforce Development

The CEC's investment in workforce development and partnerships with local community colleges are applauded. As our transportation sector transitions from internal combustion engines to clean technologies so too will our workforce need to adjust accordingly. To ensure equitable outcomes a Just Transition framework should be adopted in order to secure the livelihoods of the current workforce as this shift is made. The proposed Federal Green New Deal includes just transition considerations and should be referenced in CEC funding plan workforce development efforts moving forward. Community benefit agreements should be negotiated to ensure ZEV manufacturing companies hire locally and provide jobs as part of the green economy. Similar to our equity recommendations, it is best practice to establish workforce development criteria, including targets for quantity and quality of jobs created.

We recommend the CEC consider the role that car dealerships play in the education and marketing of electric vehicles, particularly in low income or under resourced communities where local dealerships can be a barrier to providing accurate information and access to ZEVs. In addition to workforce training at community colleges, CEC staff may also consider training formerly or currently incarcerated individuals for re-entry into the economy such as San Quentin Prison Green RE-VOLT EV Conversion Training Program.

As the funding plan is proposed, current workforce projects have small budgets and staff should consider providing additional funding to reach maximum impact.

Land Use

Though not explicitly mentioned in the funding plan it is necessary for staff to consider land use patterns and the changes our landscape will undergo in the next decade. Accounting for the suburbanization of poverty, sea level rise, and climate change it is necessary to plan investments according to both present and future population and geographic projections. Using local planning policies, it is possible to implement incremental clean vehicle technologies while being mindful of gradual land use changes. Local and regional planning tools such as the fiscalization of land use to capitalize on sales taxes from EV sales, and zero emission zones are both examples of such levers. Additionally, the CEC should assess how to further coordinate charging infrastructure deployment in new construction market rate residential housing and in particular affordable housing developments. One recommendation would be to incentivize affordable housing developers to invest in charging infrastructure and coordinate their Low Income Housing Tax Credit applications with programs such as HCD's Affordable Housing and Sustainable Communities (AHSC) and CEC's Reliable Electric Mobility Infrastructure (REMI) programs.

Funding for Medium- and Heavy-Duty Charging Infrastructure

The draft investment plan correctly prioritizes ZEVs and infrastructure, particularly for light-duty and M/HD electric vehicles (EVs). However, we suggest a more equal distribution between the vehicle classes in FY 2020-2021 to best align the investment plan with federal and state air quality requirements, carbon reduction targets, and maximize benefits for disadvantaged communities.

Although M/HDVs are only six percent of California's fleet, they contribute twenty-one percent of transportation greenhouse gas emissions, are the single largest source of NOx emissions, and account for at least a quarter of diesel particulate matter emissions.[3] This air pollution disproportionately burdens disadvantaged communities. Given the CEC's commitment to ensure disadvantaged and underserved communities benefit from CEC programs, investments that accelerate the M/HD EV deployment are critical.

The M/HD EV market is rapidly evolving, due to falling costs, as well as both state and industry efforts to increase vehicle supply. Compared to passenger vehicles, commercial truck purchases are done rationally and based on economics and the speed of adoption could be rapid. However, fleet owners and operators have also raised fears about the timing of M/HDV charging infrastructure deployment. To the extent possible, CEC project funding earlier could help alleviate these concerns and remove a potential barrier to M/HD ZEV adoption.

One possible way to accomplish this is to prioritize funding from the Light-Duty Electric Vehicle Charging Infrastructure and eMobility program for projects that also support medium-duty vehicle charging. Class 2b-3 trucks make up about 60 percent of California's truck fleet. Many Class 2b-5 electric trucks can charge using low- to medium-power charging stations (6.6-19 kW AC) with the existing standardized connectors that light-duty vehicles use and some may use higher-power (50 kW) direct current fast chargers (DCFCs). These vehicles can take advantage of passenger vehicle charging infrastructure, which will also increase utilization.

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[3] CARB, Zero-Emission Fleet Rule Workshop Advanced Clean Truck Fleets, February 12, 2020: https://ww2.arb.ca.gov/sites/default/files/2020-02/200212presentation_ADA_1.pdf

Leverage limited state resources.
We urge CEC to continue exploring ways to maximize limited state resources to accomplish related objectives. For example, less than 20 percent of jurisdictions are in compliance with the state's infrastructure permit streamlining law. The CEC could score applications for projects in compliance areas higher to encourage jurisdictions to adopt infrastructure permit streamlining.

We suggest the CEC also examine alternate financing models to assist school districts and local transit agencies to transition their ICE fleets to electric vehicles and buses. The CECs School Bus Replacement Program could benefit from an alternate model such as the On-Bill Tariff Financing mechanism as led by Clean Energy Works. Alternate financial models that assist municipalities to purchase clean vehicles may even provide leverage in negotiating community benefit agreements with manufacturing companies from whom they purchase their fleets.

The CEC should also consider coordinating their funding efforts with those of CARB, CPUC and Investor Owned Utilities in order to complete a holistic analysis of funding and investment gaps across state agencies and stakeholders.

Our organizations are deeply supportive of the Clean Transportation Program and the draft plan's emphasis on ZEVs and equity. We thank you for this opportunity to provide comments on the draft investment plan as we all work together to help California achieve its climate and clean air objectives while prioritizing benefits for marginalized groups and our state's most vulnerable communities.

Sincerely,

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Natural Resources Defense Council

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The Greenlining Institute