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April 16, 2020

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

Re: Disadvantaged Communities Advisory Group Comments on 2020-2023 Investment Plan Update for the Clean Transportation Program.

Dear Commissioner Monahan and Clean Transportation Staff,

The Disadvantaged Communities Advisory Group (DACAG) appreciates the opportunity to provide its comments on the *2020-2023 Investment Plan Update for the Clean Transportation Program* (CTP). 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 following bullets outline additional input above and beyond our comments on the 2019-2020 investment plan.

- The DACAG members supports the multi-year planning approach in the CTP Update. This approach will aid in ensuring a consistent understanding of goals and objectives to advancing clean transportation programs.
- The DACAG members recommend shifting $20 million from the light-duty category in year 2020-21 to pursue pilots to advance zero-emissions projects in diesel magnets in disadvantaged communities (e.g. railyards and warehouses). This would make the investments in the medium- and heavy-duty category in 2021-2022 $40 million. This shift will continue to allow significant funds to pursue light-duty charging while ramping up additional investments in advancing zero-emissions for larger vehicles in targeted areas that have higher negative impacts on disadvantaged communities.
- The DACAG continues to be concerned about how the CEC defines “benefits to DACs” for projects aimed at advancing biofuels. For many projects that tout local benefits, much of that benefit solely comes from construction jobs benefits. In fact, some of the externalities of biofuel production, including air and water pollution, do not appear to be accounted within the Commission’s assessment. The DACAG members believe the $10 million in the alternative fuel production and supply category is better spent on other programs. To the extent the CEC wishes to keep this funding, the DACAG members suggest the focus move to non-biofuel based renewable hydrogen production, and at a minimum, provide, and if necessary revise, its definition of “benefits to DACs.”

- The DACAG members recommend that there be continuity of funding for workforce training and development instead of funding every other year. These additional funds could come from the manufacturing funding allocation or the alternative fuels allocation to make sure there is at least $3 million each year for workforce training. Moreover, we recommend exploring how to develop multi-year solicitations to further bolster continuity of funding.
- The DACAG members recommend that the CEC take leadership to explore how to deploy more electric buses with fewer state resources. Options that could be explored are tariffed on-bill financing, utility battery ownership or other strategies that will mean cleaning up more communities in California.
- The DACAG members generally support the Reliable Electric Mobility Infrastructure (REMI) program. The DACAG members recommend that the CEC look at where the needs are and where funds could go furthest in California. The DACAG members also recommend focusing on more rural areas for this expenditure. Moreover, the DACAG members suggest leaving flexibility to give a grant that is double the anticipated amount (up to $1.6 million) for projects that are community driven and developed. This might mean fewer projects, but it will allow the agency to pursue more ambitious and community designed and led projects.

In addition, the DACAG members believe that the following recommendations previously provided during the 2019-2020 Investment Plan update will help to better align the CTP with California's policies around emissions reduction and around addressing specific harms and inequities experienced by California's disadvantaged and low-income communities.

<u>Fund Projects Exclusively In and Benefiting DACs</u>

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, including all vehicle classes, the approximately $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.

[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.

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 CTP 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 CTP 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 CTP. In particular, unincorporated communities are even further constrained in their access to programs like the CTP, 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 CTP 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 continues to be concerned about investments in biofuels. We continue to prefer investments in zero emissions fuels for all categories. Biofuels are at best an expensive bridge to a cleaner future. Given their limited supply and relatively high economic and social cost, the DACAG believes that the CTP 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.

<u>Expand Support for High Quality Workforce Development Opportunities</u>

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 CTP 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 CTP 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 CTP 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.

<u>Increase Transparency Around "Benefiting" Disadvantaged Communities</u>

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 CTP on DACs.

<u>Track and Measure Impact in Addition to Investments</u>

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.

<u>Multi-Jurisdictional Coordination</u>

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 CTP efforts with work at the CEC, CPUC, and elsewhere, to build a more resilient electric grid.

Conclusion

The DACAG appreciates the opportunity to submit these comments to the CEC on its CTP, 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

Stanley Greschner – Chair
Angela Islas – Vice Chair
Phoebe Seaton – Secretary
Fred Beihn
Stephanie Chen
Jana Ganion
Roger Lin
Adriano Martinez
Andres Ramirez
Tyrone Roderick Williams