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<td><strong>TN #:</strong></td>
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<td><strong>Document Title:</strong></td>
<td>Item 8 – DACAG 2019-2020 Draft Annual Report to be Reviewed 08-21-20</td>
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<td><strong>Description:</strong></td>
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<td><strong>Organization:</strong></td>
<td>California Energy Commission</td>
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<td><strong>Submitter Role:</strong></td>
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Disadvantaged Communities Advisory Group

2019-2020 Annual Report

DACAG Actions and Recommendations: April 2019 through April 2020 term.
Purpose of the Disadvantaged Communities Advisory Group

The purpose of the Disadvantaged Communities Advisory Group (DACAG) pursuant to Pub. Util. Code § 400(g), is to advise the California Public Utilities Commission (CPUC) and the California Energy Commission (CEC) regarding the development, implementation, and impacts of proposed programs related to the Clean Energy and Pollution Reduction Act of 2015 (also known as Senate Bill 350) in disadvantaged communities.

The DACAG will review and advise the CPUC and CEC on policies and programs designed to benefit disadvantaged communities and effectively reach low-income households, small businesses, and hard-to-reach customers (including rural and tribal communities) within disadvantaged communities.

Specifically, the Advisory Group will provide advice on programs related to renewable energy, energy efficiency, transportation electrification, distributed generation and clean energy research and development programs and determine whether those proposed programs will be effective and useful in disadvantaged communities.

- Disadvantaged Communities Advisory Group Charter
Background

In early 2018, the CPUC and the CEC jointly approved members of a new advisory group known as the Disadvantaged Communities Advisory Group (DACAG) that consists of representatives of disadvantaged communities who provide advice about state programs proposed to achieve clean energy and pollution reduction. The creation of the DACAG fulfills a requirement in Senate Bill 350, the Clean Energy and Pollution Reduction Act of 2015.

The DACAG provides advice to both the CEC and the CPUC to effectively reach and benefit communities disproportionately burdened by pollution and socio-economic challenges, including rural and tribal communities.

The DACAG provides advice on programs related to renewable energy, energy efficiency, transportation electrification, distributed generation and clean energy research and development and determine whether those proposed programs will be effective and useful in disadvantaged 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.

### 2019-2020 DACAG Members
- Fred Beihn (Began term January 2020)
- Stephanie Chen
- Jana Ganion
- Stan Greschner (2019-2020 DACAG Chair)
- Angela Islas (2019-2020 DACAG Vice Chair)
- Roger Lin
- Adriano Martinez
- Jodi Pincus (concluded term January 2020)
- Andres Ramirez
- Phoebe Seaton (2019-2020 DACAG Secretary)
- Tyrone Roderick Williams

The DACAG charter states that the DACAG will hold meetings on key issues related to the design, implementation of, and effectiveness of clean energy and pollution reduction programs, with respect to potential benefits and impacts in disadvantaged communities. The charter also requires that the DACAG submit an annual report summarizing the advice and activities of the DACAG.

### 2019-2020 Priorities
For the April 2019 – April 2020 term, the DACAG established the following priorities:
- CPUC’s San Joaquin Valley Affordable Energy Proceeding (R.15-03-010)
- Energy Storage
- Electric Program Investment Charge
- Disadvantaged Communities Net Metering
- Transportation Electrification
- Biomethane
- Building Electrification
- Assembly Bill 617 (C. Garcia, Chapter 136, Statutes of 2017)
- Senate Bill 100 (de Leon, Chapter 312, Statutes of 2018)
- Resiliency and Public Safety Power Shutoffs
- Workforce Development

### Summaries of DACAG Actions or Recommendations related to Priority Issues and Activities

#### San Joaquin Valley Affordable Energy Proceeding
The DACAG continues to closely monitor the CPUC’s Rulemaking 15-03-010 known as the San Joaquin Valley proceeding. The DACAG has made community engagement a priority topic of discussion, which will be informed by the deployment of pilot projects, authorized in CPUC Decision 18-12-015 resolving Phase II of the proceeding. The workgroup recommends that the DACAG monitor the proceeding to examine how to overcome barriers to electrification opportunities in rural disadvantaged communities (DACs) and DACs in general. The DACAG commends the CPUC staff whose work on this proceeding has started addressing such barriers, for instance related to landlord tenant split incentives and affordability during the past year.
and look forward to monitoring how those solutions develop. In addition, the DACAG looks forward to the next phase of the proceeding that will examine the cost-effectiveness of authorized pilot projects.

**Energy Storage**

The DACAG recognized the progress made by the CPUC on expanding access to energy storage, a technology that can deliver critical resiliency benefits to disadvantaged and wildfire-vulnerable communities and engaged with the CPUC and community stakeholders to expand resources and programming to environmental and social justice communities. CPUC Decision 19-09-027 established an Equity Resiliency Budget (ERB) within the Self-Generation Incentive Program (SGIP), providing accessible energy storage incentives to low-income and medically vulnerable customers, as well as critical facilities, in high fire threat districts. That Decision also raised the incentive level for the existing SGIP Equity Budget (EB), making energy storage more attainable for low-income customers statewide.

On December 11, 2019, the CPUC issued a Proposed Decision (PD) covering funding levels for the SGIP program overall, per the direction of Senate Bill (SB) 700. In that PD, the Commission proposed to fund the ERB at 63 percent of the funds allocated for energy storage, and the residential EB at three percent of the funds allocated for energy storage. In recognition of the harm caused by widespread Public Safety Power Shutoffs (PSPS) events towards the end of 2019, the CPUC also proposed to expand the geographic eligibility of the ERB to any customer that has been shut off twice in a PSPS event.

Having discussed SGIP at numerous meetings, the DACAG recognized the CPUC's leadership in centering equity in this important program to provide resiliency in the face of climate change impacts and made several recommendations to ensure that resiliency benefits will remain accessible to everyone, now and in the future.

The DACAG made the following recommendations in a letter submitted to the CPUC on January 10, 2020:

1) **Fund the energy storage Equity programs to at least $100 m per year through 2025**

The PD would authorize a total of $107,445,492 per year for the ERB and residential EB combined, from 2020 to 2024. The DACAG believed that this distribution of funds provides equitable access to energy storage in the years to come, and appropriately met the growing risks caused by wildfires and PSPS events. The DACAG recommended that CPUC fund the Equity programs to at least $100M per year combined, as proposed, and should not allow other general market energy storage projects to access funds reserved for Equity.

2) **Expand ERB access to customers shut off by PSPS events**

The ERB allowed for low-income and medically vulnerable customers living in Tier 2 or Tier 3 fire threat districts to access incentive of $1.00/Wh for energy storage, and the DACAG supported expanding the geographic eligibility of the ERB to include any customer shut off by a PSPS. In addition, the DACAG recommended that SGIP ERB update eligibility on a rolling basis, so that customers shut off in future PSPS events over the next five years to become automatically eligible for the ERB after they are shut off. In other words, the 2019 fire season should not be the only time frame used to measure customer eligibility for the ERB. The DACAG noted that the PSPS events were especially harmful to low-income and medically vulnerable customers, jeopardizing their health, safety, and comfort in numerous ways. Any low-income or medically vulnerable customer who experiences a PSPS, either now or in the future, should be able to access the highest incentive funding levels for energy storage.

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1 PD, p.25  
2 PD, p.18
3) The Equity Resilience Budget should include a residential carve-out

Currently, the SGIP EB includes a residential carve-out reserved for low-income customer access to energy storage incentives, but the ERB does not have a separate carve-out reserved for residential customers. In D.17-10-004 the CPUC found it appropriate to reserve ten percent of EB funds for only residential customers because “without reserved incentives for the residential sector, projects in the public sector, non-profit, and small business sectors could expend SGIP incentives before the low-income residential sector has an opportunity to benefit from the Equity Budget.” The DACAG believed that the same concern existed for the ERB as the EB, and thus urged the CPUC to set aside a residential carveout in the ERB that cannot be used for commercial energy storage projects.

4) Provide a well-funded Equity Marketing, Education, and Outreach (ME&O) plan that includes the expertise of trusted and experienced organizations

In D. 19-09-027, the CPUC recognized that the Equity programs within SGIP would not succeed without targeted, thoughtful ME&O, and thus set aside ten percent of unused SGIP Program Administrator (PA) administrative funds to create a customized equity ME&O plan. The DACAG strongly encouraged the CPUC to take action to further ensure healthy adoption of the SGIP Equity programs by earmarking a portion of the equity ME&O funds to trusted organizations with specific expertise in outreach to frontline communities.

The SGIP Equity programs allow automatic eligibility for customers participating in a plethora of low-income solar programs, with the intention that customers would pair solar and storage on-site, enhancing the resilience potential of the installation. The Program Administrators of these low-income solar programs were selected, in part, because of their expertise and ability to conduct successful outreach to historically underserved communities that face myriad barriers to clean energy investments. The DACAG believes that the on-the-ground expertise of the low-income solar PAs, as well as community-based organizations (CBOs) and Community Choice Aggregators (CCAs) should be leveraged, and funded, to ensure robust and appropriate ME&O for the SGIP Equity programs. At this time, the DACAG recommended that 5 percent of unused SGIP PA administrative funds, or half the customized SGIP Equity ME&O plan, should be dedicated to these experienced third parties, with most of that funding earmarked for the low-income solar PAs to complement their existing statewide solar outreach.

5) Remove the SGIP application fee for residential customers in all Equity programs

Originally, all SGIP projects, regardless of technology or customer type, required an application fee of five percent of the incentive to the SGIP PAs. This application fee is then refunded upon verification of the installed SGIP-incented project. While the application fee may serve to ensure that general market project applications are genuine, this fee remained a financial barrier to low-income residential customers. The DACAG corroborates the Senate Bill 350 Low-Income Barriers Study’s finding that a primary barrier to low-income technology adoption is financial. Low-income customers often cannot afford an up-front investment in a technology, even if they would eventually see a return or refund on that investment. In order to make the SGIP ERB and EB fully accessible to low-income customers, the DACAG recommended that the CPUC remove the application fee for the residential projects applying for the EB and ERB.

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1 D.17-10-004, p.20
2 D.19-09-027, p.56
3 These programs are: Single Family Affordable Solar Homes (SASH, Disadvantaged Communities Single Family Solar Homes (DAC-SASH), Multifamily Affordable Solar Housing (MASH) and Solar on Multifamily Affordable Housing (SOMAH), D.19-09-027, p.56
4 SGIP Handbook, p.57-58
In allyship with many community stakeholders participating in the SGIP proceeding, the DACAG’s engagement in this proceeding resulted in the largest investment ever made in California and in the United States to bring energy storage and resiliency-technologies to social and environmental justice communities.

Electric Program Investment Charge
The Electric Program Investment Charge (EPIC) funds clean energy research, development, demonstration, and deployment projects. It is funded through a surcharge collected from electric IOU customers, and is administered by the CEC, PG&E, SCE, and SDG&E. Assembly Bill 523 (AB 523) (Reyes, Chapter 551, Statutes of 2017) requires the CEC to allocate at least 25% of EPIC’s technology demonstration and deployment funds to projects located in and benefiting DACs and an additional 10% to projects located in and benefiting low-income communities. AB 523 also requires EPIC to consider, to the greatest extent possible, the localized health impacts of funded projects.

During the DACAG’s January 25, 2019 meeting, CPUC and CEC staff presented an overview of EPIC and the program’s new obligations under AB 523. CPUC staff also discussed the requirement set forth in D.18-10-052 for the EPIC program administrators to solicit input from the DACAG on their plans for outreach and engagement activities in disadvantaged and low-income communities.

CEC staff presented several aspects of its EPIC program, including:

- The solicitation process and different ways EPIC projects can provide benefits to target communities;
- Revised evaluation criteria for projects located in and benefiting DACs and low-income communities, and an upcoming opportunity to provide comments on the revised criteria;
- The CEC’s plans for community engagement workshops in the Central Valley and Eureka, to solicit input on communities’ clean energy needs; and
- Additional informational resources on upcoming funding opportunities and how to apply for them.

During the November 15, 2019 DACAG meeting, CEC staff presented again on the feedback the agency received on its scoring criteria, and the revisions staff made to the criteria to reflect this input. Staff walked DACAG members through its full scoring rubric, providing additional detail on criteria related to benefits for disadvantaged and low-income communities, and localized health impacts. DACAG members provided feedback to staff on its proposed scoring criteria.

CEC staff also presented on Empower Innovation, a new tool intended to facilitate connections between low-income and disadvantaged communities and clean energy entrepreneurs. DACAG members received a walk-through of the tool and a review of the CEC’s plans for Empower Innovation networking and informational events to be held across the state. DACAG members provided feedback to staff on its proposed scoring criteria.

Disadvantaged Communities Net Metering
During 2019, the DACAG received periodic updates from CPUC staff on the implementation of the DAC-Green Tariff (DAC-GT) and DAC-Community Solar (DAC-CS) programs created by D.18-06-027. The DACAG also received periodic updates on the Solar on Multifamily Affordable Housing program (SOMAH) from CPUC staff and SOMAH program administrators.

SOMAH launched July 1, 2019 and was fully subscribed with a wait list within days of opening the program to applications. The DACAG will continue to monitor SOMAH’s progress and results and make
recommendations to the CPUC and to the program’s administrators as appropriate to ensure the program maximizes benefits to enrolled properties, their tenants, and target communities. Due in large part to SOMAH’s quick uptake, the DACAG did not take any action with respect to the program in 2019.

The DAC-GT and DAC-CS programs are scheduled to launch in 2020. The DACAG looks forward to being more actively engaged on implementation of these programs as they begin to roll out, to ensure that they maximize economic and environmental benefits to their target communities.

Transportation Electrification
The DACAG engaged in clean transportation efforts with the CEC and California Air Resources Board (CARB) and began exploring transportation electrification programs regulated by the CPUC. Many of the transportation electrification (TE) programs supported by the CPUC and CEC are complimentary to the programs offered by CARB and the DACAG has engaged all three agencies to ensure there is a comprehensive understanding of all TE equity focused programs. The DACAG is also required by its charter to maintain a liaison with CARB and its Environmental Justice Advisory Committee to ensure coordination on equity and environmental justice investments and programs.

California Energy Commission’s Clean Transportation Program
The DACAG closely collaborated with the CEC as it developed its 2019-2020 Clean Transportation Program Investment Plan (CTP), formerly the Alternative and Renewable Fuel and Vehicle Technology Program.

In June 2019, the DACAG made the following recommendations on the Clean Transportation Program that DACAG members thought would help to better align the CTP with California’s policies around emissions reduction and around addressing specific harms and inequities experienced by California’s environmental and social justice communities. DACAG members also participated in CEC working group and CTP Investment Plan Advisory Committee conversations to promote these changes. Many of the recommendations below were adopted by the CEC, and the DACAG continues to work with the CEC to ensure specific programs and investments related to CTP funding benefit residents of all disadvantaged environmental and social justice communities.

Recommendations
Fund Projects Exclusively in and Benefiting DACs

The DACAG recommended 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.⁸

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,

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

The DACAG recommended 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 urged 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 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 face challenges 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 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 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.

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 DACs, 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 offered 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 recommended that the CEC increase the budget for workforce development. Additionally, aligning with our recommendation to exclusively fund projects in and benefiting DACs, the DACAG recommended 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 recommended that the funds be directed to the communities that need them the most.

Additionally, the DACAG recommended 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 CBOs, community colleges, relevant certification programs, pre-apprenticeship/apprenticeship readiness programs, and apprenticeship programs that provide this kind of essential, comprehensive support.

The DACAG further recommended 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 CBOs

Finally, the DACAG recommended 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.

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 these criteria. The DACAG recommended 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.

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.

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 CTP 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 CTP’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 and 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 its CTP Advisory Committee includes representation from rural communities and tribal lands.

**California Air Resources Board’s 2019-2020 Funding Plan for Clean Transportation Incentives for Low Carbon Transportation Investments and the Air Quality Improvement Program**

In September 2019 the DACAG was invited by CARB to provide feedback on the 2019-2020 Funding Plan for Clean Transportation. The DACAG provided the following observations and recommendations on how to increase equity in the program.

**Recommendations:**

**Vehicle Purchase Incentives**
The DACAG is encouraged by the volume of investments in zero-emission mobility for Californians in this pot of funding, including additional incentives for lower-income Californians to participate. The DACAG encouraged the ARB to direct as many incentives as possible toward disadvantaged communities, including helping to overcome some of the barriers that currently exist to deployment of zero-emission vehicles in disadvantaged communities. This is an issue of great importance to the DACAG, and to the DACAG committed to continuing to work with the ARB to help more disadvantaged communities reap the full benefits of California’s robust zero-emission incentive programs.

**Hybrid & Zero-Emission Truck and Bus Voucher Program (“HVIP”)**
The DACAG supported the proposal to focus the $142 million on zero-emissions. The DACAG previously supported the CEC’s focus on zero-emissions medium- and heavy-duty vehicles in its funding plan, and as such, we support the ARB’s proposal to graduate several natural gas vehicle models from the program. The DACAG also would like to work with the ARB to monitor and push policies in future years that help these incentives be spent in disadvantaged communities.

**Advanced Technology Demonstration & Pilot Projects**
The DACAG appreciated the inclusion of $40 million to spur technological change in sectors that are of great concern from an air pollution perspective and particularly support the $20 million of the $40 million for zero-emission drayage trucks as the DACAG has supported a focus on zero-emissions investments in disadvantaged communities near port and other freight facilities.

**Biomethane**
At the September 20, 2019, DACAG meeting, the DACAG received an update from staff regarding the status of dairy biomethane pilot projects to demonstrate interconnection to the common carrier pipeline system (CPUC Decision 17-12-004, authorized by Senate Bill 1383, Lara, Chapter 395, Statutes of 2016). At that time, the DACAG was informed that the evaluation of these pilot projects had not yet occurred. Given the several public health impacts that have been voiced by environmental and environmental justice advocates regarding dairy biomethane production, the DACAG remains concerned regarding the continued proposals for or development of similar projects, prior to such evaluation of pilot projects. The DACAG looks forward to continuing to work with the CPUC and CEC to ensure the health and safety of DAC residents as related to biomethane produced from dairy waste feedstock.

**Building Electrification**
Reducing emissions from buildings is critical to reaching California’s greenhouse gas reduction goals. Agencies, investor owned utilities, and community choice aggregators are beginning to offer programs and incentives designed to promote building electrification is of interest to the DACAG because of the potential impacts to health and quality of life, and to energy bills. The DACAG is interested in ensuring that building
electrification incentives prioritize and effectively reach DACs and low-income communities while ensuring robust renter and consumer protections.

During the October 18, 2019 meeting, the DACAG received a briefing from CPUC staff on building decarbonization activities, focusing on R.15-03-010 (San Joaquin Valley Affordable Energy Proceeding) and R.19-01-011, the CPUC’s primary building decarbonization proceeding. R.19-01-011 includes:

- Implementation of Senate Bill 1477 (Stern, Chapter 378, Statutes of 2018)
- Pilot programs for wildfire rebuild
- Coordination with Building and Appliance Standards
- Long-term policy framework

The DACAG discussed potential impacts of Senate Bill 1477 implementation, including bill impacts for all-electric, low-income customers. The DACAG will continue to monitor and provide feedback on this proceeding and other CPUC and CEC building electrification efforts in 2020.

Assembly Bill 617
The Advisory Group had previously made AB 617 a priority topic for discussion after being approached by CARB to pursue opportunities for the CPUC and CARB to coordinate efforts to decrease pollution in overburdened communities. The CPUC’s community and outreach teams have been attending the CARB public workshops to bring awareness to the Community Air Protection program. These meetings have occurred in communities where ARB is developing/has developed Community Emission Reduction plans. In November 2019, the CPUC also released the document, “CPUC Program Options to Promote Clean Energy and Reduce Air Pollution in AB 617 Environmental and Social Justice Communities.” In February 21, 2020, the DACAG requested CPUC staff provide an update on whether CARB would pursue these program options. In order to improve the ability of the DACAG to further this discussion and maintain AB 617 as a priority topic, it would be helpful for CARB staff to also provide an update on whether any of the CPUC program options have been or will be adopted in Community Emission Reduction plans, or, under the AB 617 framework in general.

Senate Bill 100
SB 100 requires that 100% of California’s retail electric sales come from renewable and carbon free sources by 2045. This ambitious policy will help reduce GHG emissions and toxic co-pollutants from the electric sector, which will improve health outcomes in the communities living near fossil fueled power plants. The bill also requires the CPUC, CEC, and CARB to issue, through a public process, a Joint Agency Report on efforts to date and pathways forward as the state advances toward its 2045 goal.

The DACAG added SB 100 to its list of priority issues in January 2020. At its January 24, 2020, meeting, the DACAG heard a presentation by the CEC on the Joint Agency Report’s efforts to date and upcoming workshop on modeling inputs and assumptions. The DACAG provided feedback on how the public process can be structured to ensure that disadvantaged communities are represented. DACAG members also noted issues that should be studied in the Joint Agency Report, including life cycle analyses for local air and water quality. The DACAG stated its interest in working closely with the joint agencies on this and future Joint Agency Reports.

Resiliency and Public Safety Power Shutoffs
In 2019, the CPUC approved the request of the IOUs in California to de-energize portions of the electrical grid to prevent the electrical infrastructure from starting deadly and destructive wildfires (https://www.cpuc.ca.gov/deenergization/). This de-energization is referred to as a “Public Safety Power Shutoff” or “PSPS.”
There were multiple PSPS events in 2019 due to ongoing drought, underlying temperature increases due to climate change, and specific weather factors (high heat, high winds, etc.). These components converged into high-risk wildfire conditions starting in June and continuing through November 2019. These PSPS electric power outages severely impacted over 30 counties and over 30 million people across California, with a disproportionate economic and social impact on disadvantaged communities.

The 2019 PSPS outages lasted from several hours to several days. PSPS impacts included (but were not limited to):

- lack of power for residential use of medical devices (e.g., oxygen generators, continuous positive airway pressure machines), and ability to keep medicines refrigerated
- lack of emergency power for essential facilities (e.g., grocery stores, emergency response agencies, medical clinics, fuel stations, electric vehicle charging stations)
- lack of emergency power for infrastructure (e.g., water and wastewater systems)
- loss of emergency power for telecommunications, loss of communications (cellular telephones, internet access) services
- impacts to food storage at residential and community scales (refrigeration / freezers)
- economic damage including business closures, loss of inventory, structure fires from improper use of diesel generators, loss of revenue, and worker loss of hours and income
- social disruption (e.g., logistical issues of caring for infants, maintaining heated sleeping areas especially overnight, formula and food preparation, etc.)
- increased community air pollution from diesel generator use for emergency power, and outdoor and indoor air pollution increases from using wood stoves for heat and cooking.

The utilities caution that PSPS events could last up to ten or more days depending on the damage to the electrical system during a specific weather event. PSPS events are projected to occur for the next decade, until other wildfire mitigation measures are implemented.

Based on the widespread economic and social impacts of the PSPS events, the CPUC, IOUs, and others are clearly working to limit the scope of future PSPS events (see: https://www.cpuc.ca.gov/Oct2019PSPS/). However, DACAG understands it will continue to be an extremely difficult process given the underlying warming, more volatile weather, and worsening conditions due to climate change, and weighing the impacts of large wildfire events against the impacts of extended power outages.

The DACAG requested more specific collaboration with the CPUC, CEC, and utilities on PSPS events in 2020 and beyond to address and help solve PSPS causes and impacts.
The impact of climate change on low-income and disadvantaged communities can exacerbate existing inequities but can also be an opportunity to level the playing field through intentional interventions that address climate impacts on these communities directly.

The Disadvantaged Communities Advisory Group would like the State to adopt an Equity Framework to work in conjunction with the Guiding Principles of the Advisory Group set forth in the Charter of the Disadvantaged Communities Advisory Group. The Equity Framework can be applied across all climate related policies, bills, proceedings, requests for proposals, etc. to ensure that equity is front and center when considering any climate investment/intervention in the State.

This Equity Framework is intended to guide the Advisory Group as it moves forward in discussing and commenting on various proceedings and programs before the CPUC and CEC ensuring that access and adequate resources reach the implementation stage and benefit communities in a meaningful and measurable way. This is the second draft of this document that incorporates all comments made at the August 21 Advisory Group meeting.

DEFINITION OF DISADVANTAGED COMMUNITIES

As defined in the Energy Equity Indicators tool, the Disadvantaged Communities Advisory Group (DAC AG) will adopt as the definition and advocate for equitable programming to reach all of the following communities (including community residents, workers, and businesses):

◆ CalEnviroScreen, as defined by Cal EPA,
◆ Tribal Lands,
◆ Census tracts with area median household income/state median income, less than 80%, and
◆ Households with median household income less than 80% of Area Median Income (AMI).

FRAMEWORK

1. Health & Safety

Energy policies and programs should be observed through the lens of public health to identify impacts and utilize findings to optimize the health and well-being of California’s most vulnerable communities, as well as, advance health interventions related to climate change by educating Disadvantaged Communities about disproportionate health impacts related to climate
change and providing ways to value health benefits and impacts, build resiliency, mitigate climate related illnesses, injury and deaths and reduce climate related healthcare costs.

Access & Education

Access and Education are key to ensuring that Disadvantaged Communities benefit from clean energy technologies, energy efficiency, and other environmental investments by 1. focusing on special outreach efforts, 2. ensuring that these interventions are applicable and that the communities’ interests and needs are represented, and 3. communities receive culturally relevant and sensitive education to prepare for climate resilience. The Advisory Group strives to remove barriers to participation, as identified in the SB 350 Barriers Report and other barriers, through means such as training, funding and support for CBO and educational institutions rooted in disadvantaged communities, ensuring community based businesses are competitive in solicitations, adequate information is disseminated regarding careers and education, and tracking and evaluating progress of such efforts is necessary for these interventions to be successful.

Financial Benefits

All investments in clean energy technologies, energy efficiency, and other environmental investments, should benefit all disadvantaged communities directly providing financial benefits, incentives and cost savings while also considering affordability and rate impacts.

Economic Development

Climate policies and programs should invest in a clean energy workforce by ensuring California has a trained and ready workforce prepared to improve our infrastructure and built environment as well as bring green technologies to market by: 1. promoting and funding workforce development pathways to high-quality careers in the construction and clean energy industries, including pre-apprenticeship and other training programs, 2. Setting and tracking hiring targets for low-income, disadvantaged, and underrepresented populations (including women, re-entry, etc.) to enter these industries, 3. ensuring that these careers are high-road, with a career-ladder, family-sustaining wages and with benefits, 4. training the next generation of climate leaders and workers for the clean energy economy, and 5. supporting small and diverse business development and contracting.

Consumer Protection

Climate related policies and programs should not create incentives for predatory lending or exploitation of communities for financial gain. Programs should have adequate consumer protection measures, disclosures, and accountability measures to ensure that financially vulnerable customers are not taken advantage of or otherwise compromised.
June 28, 2019, DACAG Letter Re: 2019-2020 Clean Transportation Investment Plan
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.

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 $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 Dis advantaged 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 ARFTVP. In particular, unincorpo rated 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

Stanley Greschner – Chair
Angela Islas – Vice Chair
Phoebe Seaton – Secretary
Stephanie Chen
Jana Ganion
Roger Lin
Adriano Martinez
Jodi Pincus
Andres Ramirez
Tyrone Roderick Williams
August 16, 2019


To the California Public Utilities Commission,

The Disadvantaged Communities Advisory Group (“DACAG”) appreciates the Commission’s commitment to including community voices in climate change vulnerability assessments. Party comments on Working Group 4: Climate Vulnerable and Disadvantaged Communities of R.18-04-019: Order Instituting Rulemaking to Consider Strategies and Guidance for Climate Change Adaptation, indicate a high level of disagreement as to the role that disadvantaged communities and vulnerable customers should have in climate change adaptation planning, as well as how “Disadvantaged Community” should be defined in this context. DACAG suggests that the Commission use previously-established guidelines from the CPUC Environmental and Social Justice Action Plan¹⁰ to guide their answers to these questions. Specifically:

ESJ Goal #1: Consistently integrate equity and access considerations throughout CPUC proceedings and other efforts

ESJ Goal #4. Increase climate resiliency in environmental and social justice (ESJ) communities

ESJ Goal #5. Enhance outreach and public participation opportunities for ESJ communities to meaningfully participate in the CPUC’s decision-making process and benefit from CPUC programs.

To achieve the above equity and environmental justice goals, DACAG recommends that the CPUC adopt the following recommendations:

1. The Commission should use the DACAG’s definition of “Disadvantaged Community” as a baseline for prioritizing communities in this context.

The DACAG definition of Disadvantaged Communities is:

- CalEnviroScreen, as defined by the California Environmental Protection Agency,
- Tribal Lands,

• Census tracts with area median household income/state median income, less than 80%, and
• Households with median household income less than 80% of Area Median Income (AMI).

Climate vulnerability is determined by exposure, sensitivity, and adaptive capacity. The above criteria capture many of the factors that contribute to sensitivity and adaptive capacity, which are strongly related to income, health, and social vulnerability. Low-income and tribal communities, for example, face limited access to secure housing, insurance, and resilient non-utility infrastructure. Each of these increases sensitivity while decreasing adaptive capacity. The high health and environmental burdens in communities identified by CalEnviroScreen are particularly sensitive to climate change-related stress. The DACAG definition identifies sensitive communities with low adaptive capacity, and is already in the hands of policymakers.

2. The Commission should leverage community-based organizations to ensure that robust community input is part of all stages of a vulnerability assessment

Communities, supported by trusted community-based organizations (CBOs), should have significant input on the vulnerability assessment process from its outset. Community input is widely recognized as a key piece of vulnerability assessments.\textsuperscript{11,12} It allows identification of vulnerability and solutions on smaller spatial scales than model-based assessment and reflects the fact that adaptation needs are complex and difficult to predict from data. Engaging communities early and often in any adaptation planning process supports consideration of a wider variety of viewpoints, as well as increasing public trust in any results.\textsuperscript{13}

This community input should be part of every step of the process, including scoping, determining intended outcomes, analysis of findings, implementation, and review. This acknowledges the fact that community-members are capable of making informed and judicious decisions about these complex topics, and is consistent with goals 1, 4, and 5 of the ESJ Action Plan. A climate vulnerability assessment that does not consult with the community at every stage fails to “integrate equity and access” and will not “enhance outreach and public participation opportunities for ESJ communities to meaningfully participate in the CPUC’s decision-making process.”


\textsuperscript{13} “How to Harness the Power of Your Community to Address Climate Change.” Prepared for the California Air Resources Board by the Institute for Local Government, 2010. At p 3.
An essential piece of ensuring productive partnerships between CBOs and utilities is an accessible and dependable funding mechanism for CBO engagement. This will require a funding source outside of intervenor compensation, which is not regular enough for CBO budgeting. Adequate funding for community engagement efforts is key for effective engagement, and should include funds for staffing, food, language support, transport, child care, facility rental, and the many other costs of facilitating community engagement.

There should also be accountability for utilities in their community engagement plans. This will ensure that utilities have robust processes for incorporating community input, using best practices. This review process should include a public comment period so that interested parties can work with the utilities to ensure their community engagement efforts are effective.

3. The Commission should begin the vulnerability assessment process as soon as feasible.

DACAG encourages the Commission to act soon. Climate change is here. Its effects are being felt by Californians in the form of wildfires, more frequent extreme heat events, rising seas, and other impacts. Communities that are financially or politically capable of adaptation planning have already begun the process, but they often do not include measures to reduce the danger to disadvantaged communities.\(^{14}\) The Commission is in a position to ensure the most vulnerable are protected first, and this should begin as soon as possible.

DACAG looks forward to working with all stakeholders to ensure that California identifies and supports disadvantaged communities’ adaptation to climate change impacts. Adopting the aforementioned recommendations will support the most vulnerable populations in the state, increase the utilities’ responsiveness to community needs, and help reduce the impact of climate change. It will also ensure that the ESJ Action Plan’s goals are incorporated into this essential process by giving historically marginalized communities a seat at the table.

Sincerely,

The Disadvantaged Communities Advisory Group
Stanley Greschner – Chair
Angela Islas – Vice Chair
Phoebe Seaton – Secretary
Stephanie Chen
Jana Ganion

Roger Lin
Adriano Martinez
Jodi Pincus
Andres Ramirez
Tyrone Roderick Williams
October 23, 2019

Chair Nichols and Members of the Board
California Air Resources Board (“ARB”)
1001 I Street
Sacramento, CA 95814

Re: 19-9-4: Public Meeting to Consider Approval of the Proposed Fiscal Year 2019-20 Funding Plan for Clean Transportation Incentives for Low Carbon Transportation Investments and the Air Quality Improvement Program

Dear Chair Nichols and Members of the Board:

On behalf of the Disadvantaged Communities Advisory Group (“DACAG”), we submit these comments on the 2019-20 Funding Plan for Clean Transportation Incentives for Low Carbon Transportation Investments and the Air Quality Improvement Program. The DACAG is an advisory body created by legislation, which provides input to the California Energy Commission (“CEC”) and the California Public Utilities Commission (“CPUC”). At our last meeting, our advisory group decided to provide input on the ARB’s 2019-20 funding plan consistent with the comments our committee provided to the CEC on its Clean Transportation Investment Plan. The following sections overlap with some of the recommendations we provided to the CEC on its plan.

Vehicle Purchase Incentives
We are encouraged by the volume of investments in zero-emission mobility for Californians in this pot of funding, including additional incentives for lower-income Californians to participate. We greatly encourage the ARB to direct as many incentives as possible toward disadvantaged communities, including helping to overcome some of the barriers that currently exist to deployment of zero-emission vehicles in disadvantaged communities. This is an issue of great importance to our Committee, and we would love to continue to work with the ARB to help more disadvantaged communities reap the full benefits of California’s robust zero-emission incentive programs.

Hybrid & Zero-Emission Truck and Bus Voucher Program (“HVIP”)
We support the proposal to focus the $142 million on zero-emissions. Our committee previously supported the CEC’s focus on zero-emissions medium- and heavy-duty vehicles in its funding plan, and as such, we support the ARB’s proposal to graduate several natural gas vehicle models from the program. We also would like to work with the ARB to monitor and push policies in future years that help these incentives be spent in disadvantaged communities.

Advanced Technology Demonstration & Pilot Projects
We appreciate the inclusion of $40 million to spur technological change in sectors that are of great concern from an air pollution perspective. We particularly support the $20 million of the $40 million for zero-emission drayage trucks as our committee has supported a focus on zero-emissions investments in disadvantaged communities near port and other freight facilities.
We appreciate your consideration of these comments, and we look forward to working together for a just and equitable transition to a clean energy future.

Sincerely,
The Disadvantaged Communities Advisory Group
Stanley Greschner – Chair
Angela Islas – Vice Chair
Phoebe Seaton – Secretary
Stephanie Chen
Jana Ganion
Roger Lin
Adriano Martinez
Jodi Pincus
Andres Ramirez
Tyrone Roderick Williams
January 10, 2020

To the California Public Utilities Commission,

The Disadvantaged Communities Advisory Group (DACAG) recognizes the progress made by the California Public Utilities Commission (Commission) on expanding access to energy storage, a technology that can deliver critical resiliency benefits, to disadvantaged and wildfire-vulnerable communities. Decision 19-09-027 established an Equity Resiliency Budget (ERB) within the Self-Generation Incentive Program (SGIP), providing accessible energy storage incentives to low-income and medically vulnerable customers, as well as critical facilities, in high fire threat districts. That Decision also raised the incentive level for the existing SGIP Equity Budget (EB), making energy storage more attainable for low-income customers statewide.

On December 11, 2019, the Commission issued a Proposed Decision (PD) covering funding levels for the SGIP program overall, per the direction of Senate Bill (SB) 700. In that PD, the Commission proposes to fund the ERB at 63 percent of the funds allocated for energy storage, and the residential EB at three percent of the funds allocated for energy storage. In recognition of the harm caused by widespread Public Safety Power Shutoffs (PSPS) events towards the end of 2019, the Commission also proposed to expand the geographic eligibility of the ERB to any customer that has been shut off twice in a PSPS event.

The DACAG applauds the Commission’s leadership in centering equity in this important program to provide resiliency in the face of climate change impacts, and makes the following recommendations to ensure that resiliency benefits will remain accessible to everyone, now and in the future:

1) Fund the energy storage Equity programs to at least $100M per year through 2025

The PD would authorize a total of $107,445,492 per year for the ERB and residential EB combined, from 2020 to 2024. The DACAG believes that this distribution of funds provides equitable access to energy storage in the years to come, and appropriately meets the growing risks caused by wildfires and PSPS events. The Commission should fund the Equity programs to at least $100M per year combined, as proposed, and should not allow other general market energy storage projects to access funds reserved for Equity.

2) Expand Equity Resiliency Budget access to customers shut off by PSPS events

The Equity Resiliency Budget allows for low-income and medically vulnerable customers living in Tier 2 or Tier 3 fire threat districts to access an incentive of $1.00/Wh for energy storage, and this PD would expand the geographic eligibility of the ERB to include any customer shut off twice by a PSPS.

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15 PD, p.25
16 PD, p.18
DACAG supports this recommendation, and encourages the Commission to expand eligibility to all customers impacted by PSPS events, including customers shut off once. In addition, the SGIP ERB should update this eligibility on a rolling basis, so that customers shut off in future PSPS events over the next five years will become automatically eligible for the ERB after they are shut off. In other words, the 2019 fire season should not be the only time frame used to measure customer eligibility for the ERB. The DACAG notes that the PSPS events were especially harmful to low-income and medically vulnerable customers, jeopardizing their health, safety and comfort in numerous ways. Any low-income or medically vulnerable customer who experiences a PSPS, either now or in the future, should be able to access the highest incentive funding levels for energy storage.

3) The Equity Resilience Budget should include a residential carve-out

Currently, the SGIP EB includes a residential carve-out reserved for low-income customer access to energy storage incentives, but the ERB does not have a separate carve-out reserved for residential customers. In D.17-10-004 the Commission found it appropriate to reserve ten percent of EB funds for only residential customers because “without reserved incentives for the residential sector, projects in the public sector, non-profit and small business sectors could expend SGIP incentives before low-income residential sector has an opportunity to benefit from the Equity Budget.”17 The DACAG believes that the same concern exists for the ERB as the EB, and thus urges the Commission to set aside a residential carveout in the ERB that cannot be used for commercial energy storage projects.

4) Provide a well-funded Equity ME&O plan that includes the expertise of trusted and experienced organizations

In D. 19-09-027, the Commission recognized that the Equity programs within SGIP would not succeed without targeted, thoughtful marketing, education and outreach, and thus set aside ten percent of unused SGIP Program Administrator (PA) administrative funds to create a customized equity ME&O plan.18 The DACAG strongly encourages that Commission to take action to further ensure healthy adoption of the SGIP Equity programs by earmarking a portion of the equity ME&O funds to trusted organizations with specific expertise in outreach to frontline communities.

The SGIP Equity programs allow automatic eligibility for customers participating in a plethora of low-income solar programs,19 with the intention that customers would pair solar and storage on-site, enhancing the resilience potential of the installation. The Program Administrators of these low-income solar programs were selected, in part, because of their expertise and ability to conduct successful outreach to historically underserved communities that face myriad barriers to clean energy investments. The DACAG believes that the on-the-ground expertise of the low-income solar PAs, as well as community-based organizations (CBOs) and Community Choice Aggregators (CCAs) should be leveraged, and funded, to ensure robust and appropriate ME&O for the SGIP Equity programs. At this time, the DACAG recommends that 5 percent of unused SGIP PA administrative funds, or half the customized SGIP

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17 D.17-10-004, p. 20
18 D.19-09-027, p.56
19 These programs are: Single Family Affordable Solar Homes (SASH, Disadvantaged Communities Single Family Solar Homes (DAC-SASH), Multifamily Affordable Solar Housing (MASH) and Solar on Multifamily Affordable Housing (SOMAH), D.19-09-027, p.56
Equity ME&O plan, should be dedicated to these experienced third parties, with the majority of that funding earmarked for the low-income solar PAs to complement their existing statewide solar outreach.

5) Remove the SGIP application fee for residential customers in all Equity programs

Currently, all SGIP projects, regardless of technology or customer type, must submit an application fee of five percent of the incentive to the SGIP PAs. This application fee is then refunded upon verification of the installed SGIP-incented project. While the application fee may serve to ensure that general market project applications are genuine, this fee remains a financial barrier to low-income residential customers. The DACAG corroborates the Senate Bill (SB) 350 Low-Income Barriers Study’s finding that a primary barrier to low-income technology adoption is financial. Low-income customers often cannot afford an up-front investment in a technology, even if they would eventually see a return or refund on that investment. In order to make the SGIP ERB and EB fully accessible to low-income customers, the Commission should remove the application fee for the residential projects applying for the EB and ERB. If this fee is not removed, the DACAG is concerned that residential customers wanting to participate in the EB and ERB will not be able to access the resilience benefits provided by energy storage.

The DACAG thanks the Commission for its consideration of our recommendations, and looks forward to working with our communities to enhance resilient solutions by leveraging the SGIP Equity programs.

Sincerely,

The Disadvantaged Communities Advisory Group

Stanley Greschner – Chair
Angela Islas – Vice Chair
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20 SGIP Handbook, p.57-58
April 16, 2020, DACAG Letter Re: CEC 2020-2023 Clean Transportation Investment Plan

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 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.

**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.\(^{22}\)

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 $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.

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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.

**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 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.

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 CTP 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.

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 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

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