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

VIA DOCKET
Energy Commission Docket 20-EVI-01

Re: 20-EVI-01 Second Block Grant for Light-Duty Electric Vehicle Charger Incentive Projects

Dear Commissioners:

GRID Alternatives, The Greenlining Institute, Ecology Action and Union of Concerned Scientists submit the following comments regarding the Pre-Solicitation Workshop for the Second Block Grant for Light-Duty Electric Vehicle Charger Incentive Projects on December 17, 2020. We are responding to the Commission's discussion questions from the Workshop, soliciting input on "Goals/Outcome of Block Grant" and "Multiple Block Grant Implementers"[1] We strongly support the Commission's ongoing efforts to enhance equity outcomes for its light-duty charging infrastructure investments to ensure that low-income households have equitable and robust access to electric vehicle charging infrastructure, and believe that the Second Block Grant provides a powerful opportunity to realize the Commission's expanded equity goals in the 2020-2023 Clean Transportation Program Investment Plan.

We have provided specific recommendations for how the Commission can leverage this opportunity in our responses to the Commission's discussion questions from the Workshop below. Our primary recommendation is that the Commission create two separate block grants with two separate implementers - one building on the successful model of CALeVIP, and a second one focused exclusively on equity, to ensure that low-income households with the most barriers to adopting EV technology see significant benefits from this program.

***Aside from rapid infrastructure deployment, low threshold to entry, and equity considerations, should the CEC and the block grant implementer focus on additional goals? Other strategies that enhance equity other than minimum funding allocations to low-income/disadvantaged communities?***

[1] Second Block Grant Pre-Solicitation Workshop staff presentation, p. 18-19.

We believe that these goals are appropriate for the CEC and the block grant implementer(s), and the top priority should be developing an expanded framework for the Commission's equity goals, that reflect the enhanced focus on equity in the Commission's 2020-2023 Clean Transportation Program Investment Plan. This framework should reflect the input to date from the Commission's SB 350 Barriers Report, the Commission's Disadvantaged Communities Advisory Group, and the Commission's Advisory Committee for the Clean Transportation Program Investment Plan.

In particular, the Commission's charging infrastructure deployment strategies need to incorporate equity goals for both where we deploy charging infrastructure *(location)*, **and** who benefits from the charging infrastructure *(population)*, to make sure that the people who have the most barriers to transitioning to ZEV technology get the support and resources they need. Building on the Commission's current geographic equity goals to add in explicit equity goals at the household level is consistent with the CEC's 2020-2023 Investment Plan Update, which commits to "go beyond measuring funding amounts within a given location" to "ensure these investments enhance equity within the state".[2]

Specifically, the Commission should build on the current minimum funding allocations for charging investments in census tracts designated as low-income and/or disadvantaged communities, and add in minimum funding allocations for charging investments that are designed from the ground up to specifically benefit low-income Californians who have the most barriers to adopting EV technology.

In order to meaningfully achieve equitable outcomes, the CEC must explicitly identify and define communities that the block grant aims to benefit. Though disaggregated data is scarce and arduous to come by, it is a tenant of equity to be as explicit and as specific as possible when identifying who is being served. Understanding exactly who is in need of infrastructure is imperative for achieving equity. For example, if we can determine that Black renters are in greater need of transportation electrification investment, referring to that population as “Low income communities of color” is not useful and only serves to agglomerate various identities and their idiosyncratic needs into a monolith.

The block grant must also deliver direct and meaningful benefits to communities. It is insufficient to funnel investment to DACs and low income communities without thoroughly examining the direct outcomes and benefits that plan on being achieved relevant to that community’s needs. In fact, distributing public funds without due diligence and expected benefits is reckless investment and should therefore be avoided by meaningfully addressing explicit community needs determined through an equitable outreach process.

Understanding that not all communities have the same need, block grant design must target funding to frontline communities. Similar to the aforementioned recommendation, to achieve equity it is crucial to commit to the tenet that those with the most needs, largest gaps and hardest hit must be prioritized.

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[2] Commission Report on the 2020–2023 Investment Plan Update for the Clean Transportation Program, p. 1

Frontline communities are low income people of color that experience “first and worst” consequences of climate related damage with minimal resources and massive vulnerability. It is for these reasons that funding should be targeted and prioritized to reach these populations who consistently bear the brunt of our society’s externalities and have been neglected for generations.

Ideal equity investments promote objectives that generate multiple benefits. While not always feasible, where possible it is best to always promote objectives and agendas that create various benefits to tackle the deeply rooted inequities with multi-pronged tactics that emphasize race-conscious solutions, build community capacity, are community driven at every stage, and establish paths toward wealth building.[3]

In addition to centering community needs, block grant design should integrate climate adaptation and climate mitigation efforts. As our environment faces compounding climate change consequences, our solution oriented policies should integrate both climate adaptation and climate mitigation efforts. Mitigation aims to tackle the causes of climate change and minimize possible impacts, whereas adaptation strives to reduce the negative consequences and take advantage of changes that arise as a result. With this in mind it is ideal to design environmental policies that consolidate both approaches to accelerate our solutions. Considering land use and zoning maps to better apply a cost benefits analysis of charging infrastructure deployment is crucial for feasibility and determining accessibility. We recommend the CEC include this data in their equity process to assess how land use practices and zoning will impact housing, commercial, office and industrial development and therefore access to charging infrastructure.

With economic driving forces changing demographic and density trends, gentrification and displacement are growing consequences, therefore goals should include displacement avoidance language. Places that were once home to low income communities of color for generations are now riddled with real estate speculation and insurmountable costs of living that have led to displacement, suburbanization of poverty and extreme commuting. Given the power that policy has to sway behavior it is paramount that language in these texts are intentional in their description of place and include strategic planning to avoid displacement as an externality.

The havoc of the Covid-19 pandemic has reached unprecedented and disproportionate infection and death rates as well as rippling consequences to our economic and social establishments. We have seen our institutions fail to respond swiftly and equitably to the once looming threats we now tread and which continue to threaten our livelihoods everyday. To fail to acknowledge the ways in which transportation electrification efforts are tied to this public health crisis is to deny the responsibility the CEC has to assuage health disparities in any way that it can. The CEC should consider Covid-19 data in their distillation of deployment allocations and in equity design.

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[3] https://greenlining.org/publications/2020/greenlined-economy/

Approximately 5 million of California's 13+ million households are low-income, based on federal income guidelines from the US Department of Housing and Urban Development.[4] These households are spread across all of California's communities and census tracts, and have increasingly had to move from many historically "disadvantaged communities" in search of more affordable housing due to the state's housing crisis. These households are also disproportionately Black and Latinx compared to the state's population as a whole.

Low-income households face a variety of barriers to accessing electric vehicles and charging infrastructure. Given that the US Department of Energy reports that most EV drivers do more than 80% of their charging at home[5], we have broken up this population into two groups, low-income renters and low-income homeowners. For California's approximately 3 million low-income renter households, major barriers to EV charging include:

- A structural "chicken and egg" issue between charging infrastructure and vehicle ownership, where renters won't consider an EV due to lack of charging infrastructure where they live, and landlords and other nearby property owners won't consider investing in charging infrastructure due to the lack of EV adoption by local residents;

- A major financial "split incentive" issue between landlords and tenants, where landlords often have a financial disincentive incentive to invest in charging for their tenants, unlike in high-end housing developments where EV charging can help attract renters who can pay premium rents;

- The "politics of the parking lot" where tenants who don't believe that they can access electric vehicles object to the changes required in assigned parking spaces to accommodate charging;

- Tenant turnover and high levels of displacement creates barriers to targeting low-income families;

- Concerns about driving "green gentrification" where charging infrastructure is installed in communities experiencing displacement; and

- Older housing stock with electrical infrastructure that often requires significant electrical upgrades to take on additional electrical loads.

For California's approximately 2 million low-income homeowner households, barriers include:

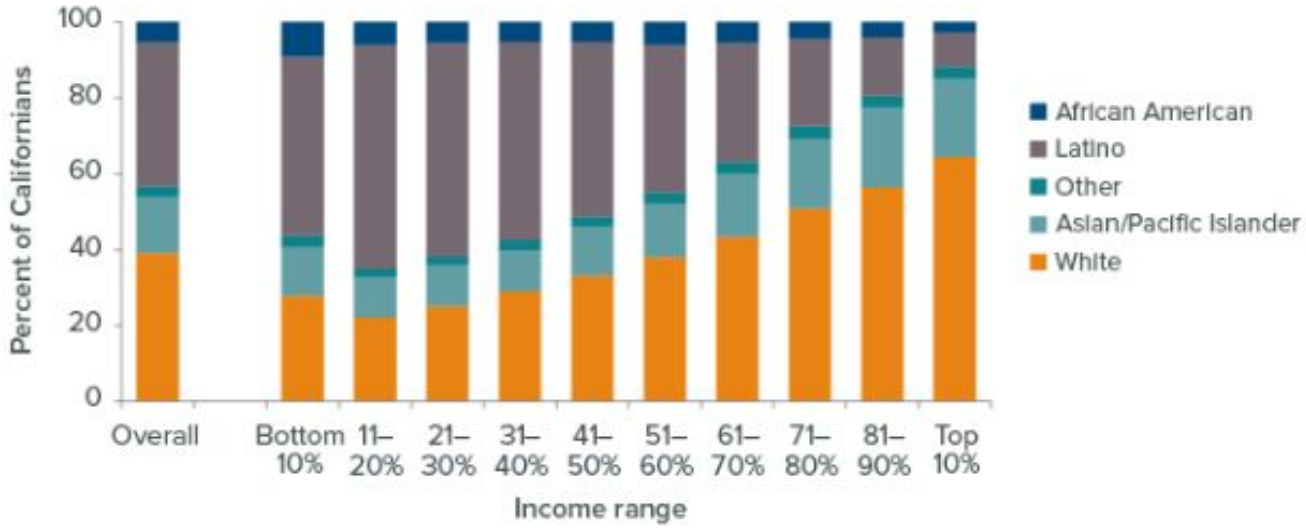
- Families living paycheck to paycheck have extremely limited financial resources to put towards even the modest expense of home Level 2 charging;

[4] https://www.huduser.gov/portal/datasets/il.html
[5] https://www.energy.gov/eere/electricvehicles/charging-home

- Low-income homeowners disproportionately live in older housing stock with older electrical infrastructure that often require expensive upgrades to take on additional electrical loads, such as a home Level 2 charger; and

- Lack of targeted and comprehensive education for low-income households around ZEVs to explain how home EV charging works, that addresses barriers related to race, language, culture, and the general perception held by many low-income households that ZEVs are "not for people like them" given that most early adopters are higher income households.

In California, income is highly correlated with race, as indicated in the chart below from the Public Policy Institute of California's report on Income Inequality In California[6]:




SOURCE: Authors' analysis of IPUMS ACS data (2018).

Because income is so highly correlated with race, creating dedicated funding minimums for charging investments that are designed to specifically benefit low-income Californians who have the most barriers to adopting EV technology, also will advance the state's goals for racial equity as well. While the Commission's existing geographic equity goals can help advance racial equity in terms of reducing pollution in communities with high percentages of residents of color, only a household-level equity goal will advance racial equity in terms of ensuring that people of color have equitable access to the personal

[6] https://www.ppic.org/publication/income-inequality-in-california/

benefits of adopting ZEV technology themselves.

***Should the CEC consider multiple block grants? What are the pros and cons? E.g., to target different market segments, target different geographic regions or accelerate project rollout. If multiple implementers were awarded, how should the CEC allocate funding or divide market segments? For example, one block grant implementer focused on projects in low-income/disadvantaged communities.***

Yes, the CEC should consider multiple block grants. From our experiences to date with the Commission's current CALeVIP block grant program, there are clear, inherent tensions between the Commission's goals for rapid infrastructure deployment and its goals for equity. The best way to resolve these tensions is through multiple block grants to ensure that both of these goals are fully met. While each block grant should incorporate all of the CEC's Clean Transportation goals, we recommend having a CALeVIP successor block grant program that prioritizes rapid infrastructure deployment, and a separate equity block grant program that prioritizes ensuring that low-income Californians with the most barriers to ZEV adoption have equitable access.

Equity provisions should be implemented in both block grants in order to holistically embed equity throughout the transportation electrification space. The equity specific block grant must address barriers communities face, drawing carefully from the SB 350 Barriers Study, identifying additional barriers, investing in capacity building and technical assistance. Where the rapid deployment block grant should still produce equitable outcomes, the equity focused block grant should be an intentional and robust approach that guides meaningful investment.

California has had great success with this approach in the solar energy space, through dedicated equity programs such as DAC-SASH[7] and SOMAH[8], and is the best way to ensure that **all** of the Commission's goals are fully realized. The current CALeVIP program has been very effective in prioritizing rapid infrastructure deployment, so much so that many of its incentive programs have been fully subscribed almost immediately after the program launched. Unfortunately, this means that many high-need applicants with the most barriers to participation in these programs are unable to compete for these limited resources. An illustrative example of this is the Round Valley Indian Tribe in Mendocino County, who hope to install EV chargers at an affordable housing complex in Rovelo, but were unable to compete with the large volume of reservation requests that were submitted to the Sonoma Coast Incentive Project immediately after that project opened.

[7] https://www.cpuc.ca.gov/SolarInDACs/
[8] https://www.cpuc.ca.gov/general.aspx?id=6442454736

There are several pros to this approach, including:

- By creating a dedicated "lane in the highway" for equity applicants, the Commission can ensure that low-income households, and the applicants who serve them, do not continue to be out-competed for limited funds by better resourced applicants who have less barriers to participation.

- The Commission would be able to develop and implement targeted strategies for program design and implementation for each of the block grants, built around the unique needs and requirements of different parts of the market. For example, the "mainstream" CALeVIP successor block grant program could continue to take a regional approach that prioritizes local cost-share and rapid deployment, while an equity block grant program could take a more market segment-based approach (low-income homeowners, multifamily affordable housing, etc.) that prioritizes centering the unique needs of these market segments.

- This approach does not have to mean that each block grant can't still incorporate all of the Commission's goals - the "mainstream" CALeVIP successor block grant program could still incorporate funding minimums for geographic designations like CalEnviroScreen Disadvantaged Communities, and the equity block grant program could still incorporate program design elements to maximize rapid deployment of resources. Creating two separate block grants will enable the Commission to maximize outcomes across all of its goals, without having the strategies to achieve these goals constantly be in tension with each other.

- Creating a separate equity block grant would enable the Commission to bring in a dedicated administration team that specifically focuses on equity work specifically for that effort, and directly bring the voices and perspectives of California's hardest-to-serve communities directly into the process of developing and implementing those incentives, to ensure that these funds meet the self-identified needs of the people to be served.

- Creating a separate equity block grant would enable the Commission to coordinate outreach with other EV equity programs administered by the California Air Resources Board and other state agencies, as recommended by the Commissions' SB 350 Barriers Study.

The main potential con to this approach could be confusion in the marketplace if the two block grant programs aren't deployed in a coordinated fashion, particularly when it comes to outreach. The Commission can avoid this by targeting distinct market segments and creating clear and distinct outreach and marketing strategies for each block grant, paired with pro-active coordination between the respective block grant implementers.

Thank you for the opportunity to provide input on this exciting and much-needed equity program. We look forward to collaborating with the Commission to ensure that low-income Californians have robust and equitable access to electric vehicle charging infrastructure.

Sincerely,

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