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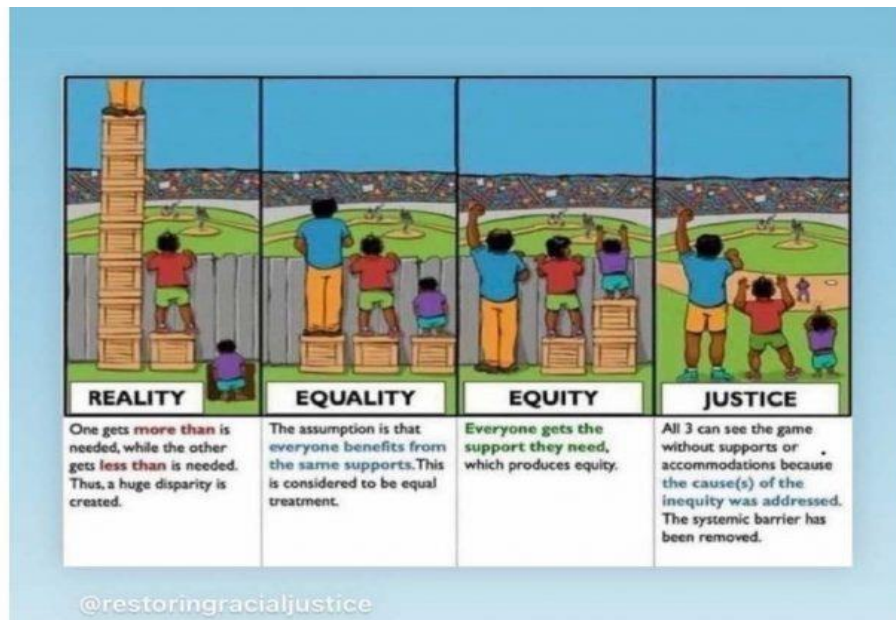
**Re: Comment on Draft 2022 Integrated Energy Policy Report**

To the California Energy Commission,

The SB 350 Disadvantaged Communities (DAC) Advisory Group (DACAG) provides the following comments on the Equity and Environmental Justice Chapter and provisions in the Draft 2022 Integrated Energy Policy Report (IEPR).

**I. The CEC Should Pursue Energy Justice and Adopt the Definition Contemplated by the U.S. Department of Energy.**

The following image depicts some of the differences between equity and justice.



It is important for the CEC's environmental and energy justice guidance to recognize the distinction between equity and justice, in particular the need to address the causes of inequity and remove barriers to resources. This is particularly important in the energy landscape given the prevalence of barriers to adequate deployment of clean energy resources in Environmental and Social Justice (ESJ) communities that the Legislature explicitly formed this Advisory Group to address.<sup>1</sup> Moreover, if the CEC is to prioritize its work to address these barriers, then this necessarily requires prioritization of programs and funding to truly benefit ESJ communities.

If we rightly acknowledge that environmental justice communities have been disproportionately burdened by the historical development and operations of the energy system, then we must similarly accept that this harm can only be undone by disproportionate future investments.<sup>2</sup>

The DACAG applauds the CEC for its desire to embed equity, environmental and energy justice in its decision-making and programs, but this also requires the recognition of historic harms, gaps and barriers. Consequently, the DACAG recommends that the CEC adopt a framework to center energy justice and use the definition contemplated by the U.S. Department of Energy:

For far too long, communities of color and low-income communities have borne the brunt of pollution to the air, water, and soil they rely on to live and raise their families. The clean energy revolution must lift up these communities that have been left behind, and make sure those who have suffered the most are the first to benefit.<sup>3</sup>

Similarly, community engagement has proven an effective means to eliminate several barriers to clean energy deployment in ESJ communities.<sup>4</sup> The same cannot be said for more affluent areas of the state. The CEC should clarify that its recommendations for continued community engagement does not refer to *all* communities,<sup>5</sup> but specifically to disadvantaged,

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<sup>1</sup> See Senate Bill (SB) 350; SB 350 Low-Income Barriers Study, Part A; Charter of the DACAG *available at* [https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/infrastructure/disadvantaged-communities/dacag-charter-updated-march-2020.pdf?sc\\_lang=en&hash=9237213411E88653040D370D055DC2C5](https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/infrastructure/disadvantaged-communities/dacag-charter-updated-march-2020.pdf?sc_lang=en&hash=9237213411E88653040D370D055DC2C5).

<sup>2</sup> Fournier, Eric et al., *Net GHG Emissions and Air Quality Outcomes from Different Residential Building Electrification Pathways Within a California Disadvantaged Community*, 86 *Sustainable Cities and Society*, 104128 (2022), *available at* <https://doi.org/10.1016/j.scs.2022.104128>.

<sup>3</sup> Department of Energy, *Promoting Energy Justice*, *available at* <https://www.energy.gov/promoting-energy-justice>

<sup>4</sup> See e.g. Evergreen Economics, *SJV DAC Pilot Projects Process Evaluation* (September 16, 2022) and Grid Alternatives, *2022 Marketing Education and Outreach Plan (DAC-SASH)* *available at* [https://gridalternatives.org/sites/default/files/2022-04/DAC-SASH%202022%20MEO%20plan\\_March%202022%20FINAL.pdf](https://gridalternatives.org/sites/default/files/2022-04/DAC-SASH%202022%20MEO%20plan_March%202022%20FINAL.pdf)

<sup>5</sup> See CPUC Rulemaking 21-06-017, *Draft Distribution Planning Community Needs Assessment Study at 15*, defining "community" generically: "groupings of the individual people, typically tribal areas, cities, and counties, that rely on the electric distribution services that are eventually provided after distribution plans are developed and implemented by their utility provider."

low-income and other ESJ communities that face these barriers to, and have historically been last in line for, clean energy resources.

The DACAG further recommends that the CEC's environmental and energy justice guidance incorporate the International Panel on Climate Change (IPCC) climate justice principles of distributive justice, procedural justice, and recognition,<sup>6</sup> interwoven with state, tribal, federal, and regional equity and justice principles, including but not limited to the DACAG "Equity Framework," and the DACAG-recommended "Energy Equity Indicators."<sup>7</sup>

## II. The CEC Should Complete its Work on Non-Energy Benefits As Soon As Possible.

[ESJ community] households' below average per capita energy usage and above average transaction costs make it such that real world energy efficiency projects seldom "pencil out" as easily as they do within more affluent communities.<sup>8</sup>

This observation is not unique to energy efficiency projects, but applies to all clean energy programs, especially those focused on deployment of distributed energy resources (DERs). ESJ communities are often left behind, or receive a disproportionate share of benefits from state funded clean energy resources as a result of projects not "penciling out." Yet the reason for projects not penciling out is the CEC and CPUC's over-reliance on outdated cost-effectiveness tests. Those cost-effectiveness tests omit consideration of non-energy benefits (NEBs). As the Draft 2022 IEPR Update correctly notes:

Incorporating nonenergy benefits may produce greater benefits to all Californians by increasing the societal benefits produced by public funds. Incorporating and tracking these benefits supports investments essential to California's transition to a clean energy economy.<sup>9</sup>

Until the CEC and CPUC correct these omissions, clean energy program design and deployment will always be skewed towards the status quo and will not achieve energy justice. Our prior comments have emphasized the need to consider these benefits, in addition to the

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<sup>6</sup> IPCC Working Group II, Sixth Assessment Report, Summary for Policymakers at 7 ("The term climate justice, while used in different ways in different contexts by different communities, generally includes three principles: *distributive justice* which refers to the allocation of burdens and benefits among individuals, nations and generations; *procedural justice* which refers to who decides and participates in decision-making; and *recognition* which entails basic respect and robust engagement with and fair consideration of diverse cultures and perspectives.") [emphasis added] available at [https://www.ipcc.ch/report/ar6/wg2/downloads/report/IPCC\\_AR6\\_WGII\\_SummaryForPolicymakers.pdf](https://www.ipcc.ch/report/ar6/wg2/downloads/report/IPCC_AR6_WGII_SummaryForPolicymakers.pdf)

<sup>7</sup> See Updates to the Energy Commission Energy Equity Indicator Tools and Report (July 19, 2019) available at <https://www.cpuc.ca.gov/-/media/cpuc-website/files/uploadedfiles/cpucwebsite/content/utilitiesindustries/energy/energyprograms/infrastructure/dc/item-5-energy-equity-indicators-dacag-recommended-changes.pdf>

<sup>8</sup> *Supra*, fn. 2.

<sup>9</sup> Draft 2022 IEPR Update at A-8.

CEC and CPUC's recognition that the consideration of these benefits is long overdue.<sup>10</sup> Moreover, the DACAG's Charter includes a Guiding Principle of the DACAG to:

Increase the benefits of clean energy programs in disadvantaged communities (e.g., by supporting growth in local employment and small business development, as well as other non-energy benefits including reducing pollutants and health risks).<sup>11</sup>

Similarly, as the CEC and CPUC strive to "captur[e] potential DER value,"<sup>12</sup> the agencies should not assume that "potential costs associate[d] with DER deployment [are] shifted"<sup>13</sup> to other non-participating ratepayers, absent an adequate consideration of NEBs.

While the DACAG appreciates the work to center environmental and energy justice in the 2022 IEPR Update and the continued development of the Energy Equity Indicators, as more fully detailed below, we are disappointed that the IEPR does not include this essential work on NEBs, especially as this was a significant issue originally scoped for analysis and development in the Draft 2022 IEPR.<sup>14</sup>

### **III. The CEC Should Maximize the Potential of the Energy Equity Indicators Tool.**

The DACAG is encouraged by the CEC's commitment to future work on the Energy Equity Indicators, in particular to direct investment and potentially serve as a metric for program performance. The DACAG offers the following additional recommendations for development of the Indicators:

- Language regarding community engagement should specify a focus on low-income, disadvantaged and other ESJ communities that have faced barriers to clean energy resources, and would benefit from meaningful engagement. The CEC should not use the term "community" loosely and generically.
- The Indicators should specifically include the full range of NEBs.
- The Indicators should include longitudinal data and the ability to create reports on trends. In particular, this data should be used by the CEC to gauge and report effectiveness of legislation, policies, and programs.
- The CEC should add to definition of "clean" in Energy Data categories. The definition of "clean" should only include "non-combustion" and "non-emission sources."

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<sup>10</sup> See e.g. DACAG EE Business Plan Application Equity Comment, *available at* <https://efiling.energy.ca.gov/GetDocument.aspx?tn=245162> (detailing recommendations in the CEC's SB 350 Barriers Study and the CPUC ESJ Action Plans to consider non-energy benefits).

<sup>11</sup> Charter of the DACAG.

<sup>12</sup> Draft 2022 IEPR Update at 98.

<sup>13</sup> *Id.*

<sup>14</sup> Scoping Order for 2022 IEPR Update, *available at* <https://efiling.energy.ca.gov/GetDocument.aspx?tn=242747&DocumentContentId=76300>

- The CEC should broaden the definition of “accessibility” to include grid accessibility (e.g., grid capacity relative to DERs) in addition to transportation.
- The CEC should include data sets on climate impacts (e.g., high heat days, drought, wildfire risk, sea level rise, etc.) that impact energy systems and delivery.
- The CEC should use more general population friendly formats for the Indicators Tool, such as Tableau (versus GIS) for accessibility and reporting.
- The CEC should conduct annual, regional climate science symposiums, perhaps coinciding with annual CEC Summits and IEPR workshops in low-income, disadvantaged and other ESJ communities.
- The Indicators should incorporate the findings of other publicly accessible tools (for instance, the PSE Healthy Energy “California Power Map” that provides, compares and visualizes data on California’s fossil fuel and bioenergy power plants (10 megawatts and larger), including the location of the plants, the demographics of nearby populations, and historical data about operations and greenhouse gas and air pollutant emissions.<sup>15</sup>

Sincerely,

The Disadvantaged Communities Advisory Group

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<sup>15</sup> PSE Healthy Energy California Power Map, *available at* <https://www.psehealthyenergy.org/california-power-map/>