

## DOCKETED

<b>Docket Number:</b>	17-IEPR-08
<b>Project Title:</b>	Barriers Study Implementation
<b>TN #:</b>	217772
<b>Document Title:</b>	Joint POU Comments on Implementation of the SB 350 Low-Income Barriers Study
<b>Description:</b>	N/A
<b>Filer:</b>	System
<b>Organization:</b>	Northern Power Agency, Southern California Public Power Authority and California Municipal Utilities Association
<b>Submitter Role:</b>	Public Agency
<b>Submission Date:</b>	5/30/2017 5:19:52 PM
<b>Docketed Date:</b>	5/31/2017

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*Submitted On: 5/30/2017*

*Docket Number: 17-IEPR-08*

**Joint POU Comments on Implementation of the SB 350 Low-Income Barriers Study**

*Additional submitted attachment is included below.*

**BEFORE THE CALIFORNIA ENERGY COMMISSION**

**In the Matter of:**

*2017 Integrated Energy Policy Report*

**Docket No. 17-IEPR-08**

**RE: Senate Bill 350 Low-Income Barriers  
Study Implementation**

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**JOINT PUBLICLY OWNED UTILITIES' COMMENTS ON  
SENATE BILL 350 LOW-INCOME BARRIERS STUDY IMPLEMENTATION**

The Northern California Power Agency (“NCPA”), Southern California Public Power Authority (“SCPPA”), and California Municipal Utilities Association (“CMUA”) (collectively, “Joint POU”) appreciate the opportunity to provide these comments to the California Energy Commission (“Commission”) on the implementation of the *Low-Income Barriers Study, Part A: Overcoming Barriers to Energy Efficiency and Renewables for Low-income Customers and Small Business Contracting Opportunities in Disadvantaged Communities* (“Barriers Study”).<sup>1</sup> These comments address the Barriers Study as well as the Joint Agency Workshop on Senate Bill 350 Low-Income Barriers Study Implementation hosted by the Commission on May 16, 2017.

**I. OVERVIEW**

The Joint POU commends the Commission, California Air Resources Board (“CARB”), California Public Utilities Commission (“CPUC”), and Governor’s Office for their concerted efforts to address low-income customer barriers to clean energy. The Joint POU represent local, community-owned utilities that have long supported low-income customer energy efficiency

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<sup>1</sup> California Energy Commission, December 2016, *Low-Income Barriers Study, Part A: Overcoming Barriers to Energy Efficiency and Renewables for Low-Income Customers and Small Business Contracting Opportunities in Disadvantaged Communities*, Document No. CEC-300-2016-009-CMF.

investments with financial incentives and other assistance. POU's tailor the incentives and assistance they provide to meet the specific needs of customers in each POU's respective community. As the state seeks to expand low-income customers' access to energy efficiency, weatherization, renewable energy, and transportation electrification investments, the Joint POU's offer the following comments in strong support of the overarching effort to improve the equity of California's clean energy policies.

## II. CURRENT SUITE OF PUBLIC POWER LOW-INCOME PROGRAMS

At different points in the May 16 workshop, both Chairman Weisenmiller and Commissioner McAllister asked questions regarding POU energy efficiency ("EE") programs for low-income customers. The Joint POU report submitted to the Commission earlier this year, *Energy Efficiency in California's Public Power Sector – 11<sup>th</sup> Edition*,<sup>2</sup> contains brief descriptions of each POU's low-income EE incentives and rate assistance programs. The following examples from the report, while not exhaustive, highlight the types of programs and partnerships pursued by POU's in support of EE investments for low-income customers:

- **Anaheim Public Utilities, Burbank Water and Power, Colton Electric Department, Los Angeles Department of Water and Power, Pasadena Water and Power, and Riverside Public Utilities** partner with the Southern California Gas Company to create a one-stop approach that provides incentives for electric and gas efficiency projects through a jointly funded direct install program.
- **City of Biggs** works with Community Action Agency of Butte County to provide weatherization, appliance replacement, lighting replacement and HEAP grants to income-qualified household within their service territory.
- **City of Healdsburg's** direct install program provides low-income customers with an audit of their home and installation of up to nine energy and water saving devices.
- **Lassen Municipal Utilities District** and the **City of Lodi** both partner with their local Salvation Army offices to provide one-time bill payment assistance and rate

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<sup>2</sup> California Municipal Utilities Association, 2017, *Energy Efficiency in California's Public Power Sector – 11<sup>th</sup> Edition*, Available: [http://www.ncpa.com/wp-content/uploads/2015/02/2017\\_POU\\_EE\\_Reportv2.pdf](http://www.ncpa.com/wp-content/uploads/2015/02/2017_POU_EE_Reportv2.pdf).

assistance programs, respectively.

- **Los Angeles Department of Water and Power** dedicated \$60 million of their EE budget last year to their direct install programs (equipment and installation completely free) to serve LADWP's low- moderate- and fixed-income customers.
- **Modesto Irrigation District's** mobile home direct install EE pilot program serves a demographic dominated predominately by senior low- and fixed-income customers.
- **Pasadena Water and Power**, in partnership with other City departments, offers services through the Under One Roof program to income-qualified customers, including low-to-no interest loans, exterior house painting, wheel chair ramps, weatherization services, an ENERGY STAR refrigerator exchange, solar energy systems, and turf replacement to drought tolerant landscapes, free of charge.
- **Roseville Electric** provides home audits and weatherization measures, including attic insulation and HVAC tune-ups – to low-income single-family residences.
- **Silicon Valley Power** offers a direct install program that includes an energy audit, behavior education, and energy efficiency measures at no cost to qualifying customers and is targeted to those customers who average over 800 kWh/month.
- **Turlock Irrigation District** works with local agencies and contractors to provide a weatherization direct install program to income qualified households within its service territory.

California POU's follow national trends in that the two most common low-income EE program models are: (1) direct install (utility installs free/low cost EE measures) and (2) rebates/financial incentives (utility provides rebates/financial incentives to customers that purchase/install EE measures). According to research completed by the American Council for an Energy-Efficient Economy ("ACEEE"), direct installation and financial incentives are the most common services available to low-income multifamily customers. Fewer programs provide comprehensive retrofits. This likely reflects the much higher cost of supporting comprehensive retrofits, even if such projects can yield highly cost-effective energy savings.<sup>3</sup>

The Joint POU's' experience administering programs is consistent with the ACEEE

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<sup>3</sup>Samarripas, S., York, D., and Ross, L., February 2017, More Savings for More Residents: Progress in Multifamily Housing Energy Efficiency, *American Council for an Energy-Efficient Economy*, Report U1702, pg. 21.

findings that direct installation is an entry point to engage both residents and building owners with immediate, low-cost energy efficiency improvements that demonstrate the value of energy-efficient building upgrades.<sup>4</sup> However, programs the Joint POU currently provide primarily focus on services for their customers – the building tenants – not necessarily the building owner. As POU plan for future low-income and multifamily EE programs, the Joint POU welcome further discussions with the Commission and other stakeholders on collaborating to address barriers for the owners of multifamily affordable housing – both institution-owned and landlords that accept vouchers – as well as low-income single-family homeowners and renters.

In addition to the direct install and rebate programs, POU also offer discounted rates for low-income customers. Many POU also provide assistance in the form of bill forgiveness. These programs mirror similar services provided to IOU customers through CPUC programs, such as the California Alternative Rates for Energy. If so desired, the Joint POU are more than willing to facilitate a more in depth discussion with the Commission on the current and future rate assistance and EE programs offered by POU to low-income residential, as well as small- and medium-sized business, customers.

### **III. FUND AND EXPAND EXISTING, SUCCESSFUL PROGRAMS**

As noted in Chapter 2 of the Barriers Study, California currently offers a number of programs that provide financial support to low-income households.<sup>5</sup> During the May 16<sup>th</sup> workshop, the participants on the first panel noted that two of these existing state programs, in particular, have an excellent track record of facilitating EE improvements for low-income

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<sup>4</sup> *Ibid*, pg. 21.

<sup>5</sup> California Energy Commission, December 2016, *Low-Income Barriers Study, Part A: Overcoming Barriers to Energy Efficiency and Renewables for Low-Income Customers and Small Business Contracting Opportunities in Disadvantaged Communities*, Document No. CEC-300-2016-009-CMF.

customers – the California Utility Allowance Calculator (“CUAC”) and the Low-Income Weatherization Program (“LIWP”). However, while the two programs are currently very effective, panelists suggested improvements to both programs.

The California Tax Credit Allocation Committee, which administers the CUAC program, was urged by panelists to expand the program to include rehabilitation of existing buildings projects, not just new construction. LIWP was noted as suffering from insufficient funding such that it perennially operates on a wait-list basis. To the extent the state administers successful programs today, such as CUAC and LIWP, the Joint POU’s urge the Commission and other state agencies to prioritize enhancements to these known and proven programs first. To this end, the Joint POU’s generally support the recommendation from the Barriers Study that “the State should establish a task force to facilitate coordination of all state agencies administering energy, water, resilience, housing, and low-emission transportation infrastructure programs for low-income customers and disadvantaged communities. To reach more customers, the task force should seek to align program eligibility requirements and reduce redundancies and administrative overhead.”<sup>6</sup>

In addition to the programs listed in Chapter 2 of the Barriers Study, the Joint POU’s note that the Commission has administered for decades an exceptionally successful loan program for energy efficiency and distributed energy projects through the Energy Conservation Assistance Act (“ECAA”) program. Currently, residential and commercial projects are not eligible to participate in the ECAA program. The Joint POU’s support the Commission seeking a legislative remedy to expand eligibility for ECAA funding to include affordable housing and/or low-income projects, as well as to allocate additional funding to the program in furtherance of the state’s

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<sup>6</sup> *Ibid*, pg. 61. The Joint POU’s support this general recommendation for collaboration, but are concerned that implementation of items a-j, in addition to all of the other recommendation, could spread scarce resources thin.

myriad of policy commitments to low-income and disadvantaged communities.

The Joint POU's recognize that existing programs and services, even if expanded and more fully funded, may be insufficient for the task of removing key barriers that prevent low-income and disadvantaged communities from accessing clean energy programs and resources. At the same time, the Barriers Study consists of 12 broad recommendations with over 40 discrete proposed actions. In a similar fashion, *California's Existing Buildings Energy Efficiency Action Plan – 2016 Plan Update*<sup>7</sup> also included five broad goals with 24 strategies, many of which consisted of multiple discrete actions. The *New Residential Zero Net Energy Action Plan 2015-2020* (“ZNE Action Plan”)<sup>8</sup> includes six broad goals, 31 strategies, and nearly 60 discrete actions. While some of the goals, strategies, and actions overlap across the three documents, many do not. Furthermore, not all of the strategies are required by statute or have identified funding sources.<sup>9</sup> It is unclear what, if any, prioritization will be applied to implementing the myriad of goals, strategies, and actions outlined in the three documents. It is also unclear what, if any, analysis has been completed of the energy savings, the energy and non-energy benefits, and/or the costs anticipated to accrue to the state, utilities, stakeholders, building owners and/or customers upon implementation of the goals, strategies, and actions. The Joint POU's suggest that the Commission and its sister agencies work to align and prioritize these various strategies and recommendations to provide greater clarity and certainty regarding the path forward.

As the Commission, in coordination with the CPUC, CARB, Office of the Governor, and other state agencies, proceeds with implementation of the Barrier Study recommendations, the

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<sup>7</sup> California Energy Commission, December 2016, *California's Existing Buildings Energy Efficiency Action Plan – 2016 Plan Update*, Document No. CEC-400-2016-023CMF.

<sup>8</sup> California Energy Commission and California Public Utilities Commission, June 2015, *New Residential Zero Net Energy Action Plan 2015-2020*.

<sup>9</sup> *Ibid*, pg. i.

Joint POUs support focusing on improvements and enhancements to existing programs, including streamlined applications and closer coordination, as the top priority. For our own part, POUs can look to take similar actions with our own programs, heeding the concerns raised by numerous stakeholders about the importance of flexible project timelines, consistent funding, and technical support.

#### **IV. CONCLUSION**

The Joint POUs appreciate the opportunity to provide these comments to the Commission, and look forward to our continued work with the Commission, CARB, CPUC, affordable housing advocates, and a broad range of stakeholders committed to facilitating energy efficiency and other clean energy projects for low-income and disadvantaged communities.

Respectfully submitted,

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