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**California Housing Partnership's Comments on the Joint Agency
Workshop on Advancing Equity as part of the IEPR Energy Efficiency**

Additional submitted attachment is included below.



August 13th, 2019

California Energy Commission
Dockets Office, MS-4
Re: Docket No. 19-IPR-06
1516 Ninth Street,
Sacramento, CA 95814

Re: Comments on the Joint Agency Workshop on Advancing Equity as part of the IEPR Energy Efficiency Action Plan of 2019

The California Housing Partnership (The Partnership) appreciates the opportunity to provide comments on the IEPR Joint Agency Workshop on Advancing Equity. We are also grateful to have been invited to participate in the panel Emerging Energy Equity Topics in Clean Energy and Transportation to provide some verbal comments.

The California Housing Partnership creates and preserves affordable and sustainable homes for low income Californians by providing expert financial and policy assistance to nonprofit and public partners. The Partnership works with nonprofit affordable housing owners, environmental and equity organizations, and service providers to expand and enhance climate, energy and water resources for affordable multifamily rental homes. We also provide direct technical assistance (TA) to nonprofit affordable housing owners, program implementers and policymakers.

The Partnership provides the following comments on building decarbonization, and energy storage.

I. Building Decarbonization:

We have submitted comments on the Order Instituting Rulemaking for Senate Bill 1477. Below are the comments that we submitted for consideration in the OIR and further comments to make the building decarbonization efforts across California reach low-income residents of multifamily affordable housing.

1. Create and maintain long-term, stable incentive programs to support the development of decarbonized affordable housing and to preserve the existing affordable housing stock.
2. Ensure current energy efficiency and building decarbonization programs are designed in a way that majority of program funds go to low-income and disadvantaged communities.

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3. Select a statewide program administrator with a proven track record of reaching low-income Californians through robust low-income program design, outreach, technical assistance and implementation for building decarbonization programs¹
4. Increase the viability and scalability of low-cost and high savings heating and cooling technologies for low-income communities
5. Establish process for the use of unspent funds
6. Develop metrics for non-energy benefits that can be used to evaluate resident's health, comfort, and safety and track increases to bills owing to load additions and shifting
7. Ensure robust contractor selection to manage risks with new technologies through systems like approved contractors list, and mandatory contractor trainings
8. Develop mechanisms for tenant protection to prevent displacement and utility bill increases
9. Provide guidance documents for installing new technology for affordable housing developers, engineers and designers
10. Encourage workforce development opportunities

II. Energy Storage

With the transition to Time Of Use (TOU) rates, bringing energy storage technology to the multifamily affordable rental housing sector has the potential to reduce and even eliminate demand charges for this sector during peak electricity loads and to reduce operating expenses while maximizing the benefits of solar credits. We published a report in 2016 that outlines the potential increase in bill savings for integrating solar and storage.² Further, NEM 2.0 applies to common area meters of Solar On Multifamily Affordable Housing program participants. In other words, the common area meters are required to use time of use rates and are subject to demand charges at peak times. As rates shift, we expect that the value of solar credits will decrease significantly for affordable housing owners. This will impact early solar adopters and potentially discourage participation in renewable energy programs thereby reducing program access to low-income residents. With increasing wildfires and other extreme climate events, storage for emergency back-up especially for affordable housing properties that serve vulnerable population is needed to create a resiliency island.

However, for many property owners who are interested in energy storage the costs and the risks associated with the technology hinders program participation due to:

- Significant initial costs
- Lack of space for equipment installation
- Low capacity and knowledge to train property management staff on new technology
- Absence of trusted contractors that could do the installation
- Code requirements including the fire codes

¹ The Multifamily Low Income Weatherization Program (LIWP) which is administered by CSD has a robust program design to reach disadvantaged communities leading to a long waitlist. Please read the [LIWP Impact Report](#).

² California Housing Partnership. [CLOSING THE CALIFORNIA CLEAN ENERGY DIVIDE: Reducing Electric Bills in Affordable Multifamily Rental Housing with Solar+Storage](#), May 2016.

- Unclear value proposition
- Lack of knowledge on available products (both systems and financing instruments)
- Individual common area systems and controls that complicate energy storage installation

The following strategies will improve participation in energy storage programs like Self Generation incentive Program's Equity Budget:

1. Increase the base incentive level with no step downs to encourage early adoption of the technology so the costs of the systems don't outweigh the direct economic benefits associated with the technology
2. Design multifamily affordable housing demonstration projects/ pilots that integrates solar and energy storage pilots to establish value proposition of such projects to affordable housing property owners²
3. Develop systems for risk management including robust contractor selection and vetting process, system standards and performance warranties, and contingency plans
4. Ensure that all marketing, education and outreach fully acknowledges the needs, barriers and opportunities of low-income renters and the housing providers who serve them.

Adopting the building decarbonization and energy storage policies outlined above will help California achieve our ambitious climate goals. We thank the joint agencies for their leadership and commitment towards decarbonization and ensuring that the three million³ low-income and disadvantaged Californians are also able to benefit from the decarbonized economy.

Sincerely,

Srinidhi Sampath Kumar
Sustainable Housing Policy and Program Manager

² Information obtained from our GREEN Advisory Board members leads us to the conclusion that there are no energy storage projects in California serving multifamily affordable rental. As a result, there is insufficient experience with and understanding of the technologies and a reluctance to take on these financial risks.

³ NLIHC analysis of 2017 PUMS data and shows households that earn less than 80% of Area Median Income