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Comments of East Bay Community Energy on the Draft 2019 Integrated Energy Policy Report

Additional submitted attachment is included below.



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November 26, 2019

California Energy Commission
Docket Office, MS-4
Re: Docket No. 19-IEPR-01
1516 Ninth Street
Sacramento, CA 95814-5512

RE: Comments of East Bay Community Energy on the Draft 2019 Integrated Energy Policy Report

Dear Commissioners,

East Bay Community Energy (EBCE) appreciates the opportunity to comment on the California Energy Commission's (CEC) Draft 2019 Integrated Energy Policy Report Update (IEPR). EBCE is a community choice aggregator (CCA) serving approximately 1.4 million people in unincorporated portions of Alameda County and 11 of its cities formed among them through a Joint Powers Authority effective December 1, 2016. EBCE appreciates the Commission recognizing the vital role that CCAs increasingly will play in helping the state achieve its climate goals through the procurement and development of clean and affordable energy resources. (p. 34). Because of its commitment to helping our communities do their part to help achieve the state's climate goals as stated in SB 100, EBCE welcomes the opportunity to submit comments on the 2019 IEPR that will focus on Chapter 2: Building Decarbonization and Energy Efficiency, Chapter 3: Clean Transportation, Chapter 4: Advancing Energy Equity, and Chapter 8; Transportation Energy Demand Forecast.

CHAPTER 2: Building Decarbonization and Energy Efficiency

EBCE supports the IEPR focus on clean energy supply and improved energy efficiency for buildings and appliances, and its support for local reach code ordinances. (p. 38, p. 50) As an example of EBCE's initiative in support of our local government partners, EBCE is providing extensive technical assistance plus a \$10,000 incentive to each city that brings a reach code to their respective elected council/Board.¹ Additionally, EBCE has invested in a powerful database that enables administrators and implementers of energy efficiency, demand response, and energy management programs to access information that increases building upgrades in Alameda County. This data is also valuable to EBCE's local government partners as they assess their greenhouse gas inventories. We believe the additional element of demand flexibility (i.e., demand response) through investments in heat pumps, thermal batteries, and other infrastructure improvements to the distribution system make sense for load management (p. 44), but we would like to see more information on the costs and time estimates to achieve optimized goals.

EBCE is also supportive of the concept of combining demand response with distributed energy resources (p. 47) and ran a pilot program in the summer of 2019 that compensated customers with existing battery energy storage systems and operators/aggregators of those systems who agreed to discharge power during peak energy periods to reduce peak energy procurement costs.² While the concept of demand flexibility described in the report is promising, we would like to learn more about the practical

¹ <https://ebce.org/reach/>

² <https://ebce.org/battery-demand-response-pilot-program/>

applications that the CEC envisions for its implementation. EBCE believes there are significant regulatory reforms that need to occur before this can be implemented and scaled. Establishing the right policy incentives is essential to the achieving success for this effort. The Commission's research efforts on how to reduce carbon intensity in food service is an issue area that is important to us and our partners in local government and we look forward to learning how we can apply the research findings to help our local restaurants reduce their energy intensity and energy costs.

We also share the Commission's desire that the IEPR puts forward practical recommendations that ensure all Californians benefit from efforts to decarbonize energy and its consideration of how to ensure a just transition from natural gas to minimize adverse impacts to communities and gas workers. We support efforts to utilize alternative financing mechanisms along with making new technologies more accessible and the creation of more user-friendly program structures for low-income residents and households in disadvantaged communities. We suggest that a rigorous evaluation program be set up to ensure members of disadvantaged and financially struggling households benefit from decarbonization policies and programs.

CHAPTER 3: Clean Transportation

EBCE commends the CEC for its work in identifying and highlighting the successes of the Clean Transportation Program (previously known as the Alternative and Renewable Fuel Vehicle Technology Program). EBCE appreciates to opportunity to provide comments that highlight successes of this program, and areas where additional support is needed to help accelerated market transformation for zero emission vehicles.

Re the first two recommendations (pp. 83-84):

- The CEC should continue supporting research and development opportunities and cost reduction strategies to enable bi-directional charging and minimize the grid impact of medium and heavy-duty plug-in electric vehicles (PEVs).
- The CEC and collaborating state agencies should continue to identify and eliminate technical and policy barriers to implementing vehicle-to-grid integration (VGI) capable infrastructure.

The California Independent System Operator (CAISO), CEC, California Air Resources Board (CARB) and the California Public Utilities Commission (CPUC) have each invested significant effort to investigate how electric vehicles (EVs) can be best planned and best integrate with the electric grid. EBCE was pleased to participate in Gridworks' VGI Initiative earlier this year and is currently an active participant in the California Joint Agency VGI Working Group. We commend the state agencies for evaluating opportunities and barriers to VGI.

Increased and continuous funding is key to growing the state's EV infrastructure and meeting greenhouse gas reduction targets. Because the state is experiencing record demand for zero emission trucks and buses, EBCE also encourages the CEC to consider increasing funding for charging infrastructure for medium and heavy-duty vehicles. Class 4-5 medium-duty delivery vehicles for example are rapidly electrifying in California with many companies announcing they will add thousands of EVs to their fleets in coming years.

According to the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP), there are nearly 1,000 delivery vehicles with voucher reservations that fall into the Class 4 category. However, in FY 2018-19 CARB received voucher requests totaling the entire program budget and in turn had to put new vouchers on hold until additional funding was identified.

Ensuring stakeholders have adequate funding for charging infrastructure to support their new fleet vehicles prior to delivery is critical. The California Electric Vehicle Infrastructure Project (CALeVIP) could serve as the platform for administration of these incentives.

Re the fourth recommendation (p. 84):

- To assess fully the availability and gaps of plug-in electric vehicle charging infrastructure, the CEC should pursue additional data collection authority under its Title 20 regulatory authority.

California has set a target of 5 million zero emission vehicles on the road and 250,000 charging ports in service by 2030.³ In collaboration with the CEC and its program administrator the Center for Sustainable Energy, EBCE is currently pursuing a 2021 CALeVIP Project on behalf of Alameda County. If approved, EBCE is committed to stacking significant investment on top of the state's contribution to help meet the goals of Executive Order B-48-18.

To ensure the CEC and CALeVIP partner investments result in maximum charging infrastructure deployment, while at the same time driving the installation cost down, EBCE encourages the Commission to consider development of a tool similar to the California Solar Initiative's www.californiasolarstatistics.ca.gov for CALeVIP Projects (e.g., add to IEPR Chapter 3 Recommendations). Through this tool, stakeholders engaged in the deployment of behind the meter solar photovoltaic arrays had data transparency that provided a view into the geographic and cost distribution for each project installed through the California Solar Initiative (CSI) on a monthly, quarterly and annual basis. It also provided a breakdown of incentive dollars confirmed, under review, and paid according to project type.

Applying a CSI tracking tool to CALeVIP in the near term will help ensure the CEC and its various project partner investments go further. It would also help the State track charging installations more accurately while moving the market to a point where long term the transition to EVs can be self-sustaining without charging infrastructure subsidies.

Finally, EBCE recognizes that reducing soft costs is key to accelerating market transformation for charging infrastructure at scale and commends the Governor's Office of Planning and Research's development of the Electric Vehicle Charging Station Permitting Guidebook. In preparation for potential approval of a 2021 CALeVIP Project, EBCE is currently working with our local government stakeholders to ensure countywide compliance with AB 1236. We are also directly coordinating with the Governor's Office of Business and Economic Development on updates to their Electric Vehicle Charging Station Permit Streamlining Map.

CHAPTER 4: Advancing Energy Equity

We are very pleased with initial funding efforts for investments in energy efficiency and building retrofits for disadvantaged households and believe that this is a great start. (p. 94). The report's recommendation to increase access to on-bill financing for customers in areas served by IOUs, as well as place-fixed tariffs to pay for energy efficiency improvements to rental properties are promising. However, we note that this will take sustained funding efforts to ensure equitable results since the vast majority of those financially struggling and members of disadvantaged households live in older and often poorly maintained homes. Nevertheless, the benefits to be realized from lower bills and increased energy affordability will help reduce displacement pressure on financially struggling families while also contributing to reduced GHG emissions. The report's recommended resources for small businesses in

³ Executive Order B-48-18

disadvantaged communities is also welcome but more clarity is needed to understand how the recommended resources will support energy.

We are also supportive of the report's recommendation to create "One-Stop-Shops" (p. 93) to provide technical assistance, outreach, and funding services for income-qualified property owners and renters for information and resources on energy efficiency, clean energy, and ZEV and near-ZEV transportation infrastructure. This access is essential to scale up engagement and scale down entry costs not just for disadvantaged communities, but for local government agencies and community-based organizations that seek to help all community members transition to clean energy resources. We also believe that these resources need to enjoy long-term funding and include broad geographic areas to be effective and look to the state to provide these needed resources to ensure long-term success.

Nevertheless, we believe methods currently employed by state agencies and others to identify disadvantaged communities and households will miss many. EBCE shares the concerns raised in the report by advocates regarding the shortcomings that result from using CalEnviroScreen to identify disadvantaged communities and find that the observation of a representative of the Bear River Band of Rohnerville Rancheria that many rural tribal communities "may not meet the CalEnviroScreen definition of environmentally disadvantaged"⁴ also applies to some of our Alameda County communities in Berkeley, Oakland, Cherryland, and Ashland, among others. There are many types of "disadvantage"; using a tool designed to identify *environmentally impacted* disadvantaged communities (emphasis added) uses the part (environmentally impacted) to define the whole (*all* disadvantaged). This can create resource mismatches when, for example, a community that ranks in the top 25% because of poor water quality or a hazardous waste facility receives priority funding for electric vehicle infrastructure. Or perhaps a community with deep poverty and high housing cost burden does not rank in the top 25% because it does not have sufficiently adverse environmental features or has a small population lost among larger, more affluent communities in the area.

For example, some household incomes that would be deemed more than adequate in some regions are insufficient to escape poverty in others. As a point of reference, 18% of EBCE customers are on the CARE or FERA rate, but we have also found pockets of poverty in our service area that are significantly under-enrolled in these rates. EBCE notes that while in 2017 Alameda County's median household income was approximately \$86,000 and had a county-wide poverty rate of 9%,⁵ some communities in the County have household incomes significantly lower, and poverty rates significantly higher than the County median, and some are well below the state median of approximately \$63,000 but are not priority CalEnviroScreen communities and so are not eligible for many of the recommended actions or investments put forward in this report.⁶

Beyond the official poverty measure, if income is the sole variable that determines poverty, then households that may be financially struggling primarily due to high housing costs, but not income qualified will be overlooked and underserved by well-intended programs. Correctly identifying and including financially struggling households and communities in areas of rising affluence would help ease displacement pressures and reduce regional socioeconomic inequities. We believe the CEC and other state agencies concerned with energy equity should limit consideration of CalEnviroScreen's indicators to those relevant to the program or project.

⁴ Sarah Stawasz, p. 98 referencing comments made at a July 30, 2019 joint agency workshop on energy equity.

⁵ U.S. Census QuickFacts <https://www.census.gov/quickfacts/alamedacountycalifornia>

⁶ 2017 Oakland Median HH\$63,251, Poverty –19%; Cherryland CDP Median HH\$58,631, Poverty 23%; Ashland CDP Median HH\$50,966, Poverty 19%.

<https://www.census.gov/quickfacts/fact/table/oaklandcitycalifornia,ashlandcdpcalifornia,cherrylandcdpcalifornia/PST045218>

Finally, EBCE agrees with the report’s statement that “California’s low-income and disadvantaged communities are the most likely to disproportionately suffer the impacts of climate change. For this reason, the state must continue to strategically direct its investments to address climate change in these communities.” (p. 85). We are concerned that the primary tools used to identify low-income and disadvantaged communities⁷ do not include criteria to identify climate change impacts. EBCE believes that this is a disconnect that creates a barrier between the stated objective to identify and protect those most at risk, and the tools used to achieve the objective and direct appropriate energy investments. We encourage the CEC and other state agencies to develop tools that not only identify low-income and disadvantaged communities but overlay these communities with maps identifying climate change impact areas.

CHAPTER 8: Transportation Energy Demand Forecast

EBCE supports the Commission’s recommendations for future assessments of transportation energy demand. EBCE also recommends the CEC add reference to SB 1014 into Chapter 8 of the IEPR to ensure the impact of energy demand from the ride hailing economy is not underestimated. SB 1014 specifically requires Transportation Network Companies to reduce carbon emissions of drivers operating on their platforms through accelerated uptake of EVs given that they generate up to seven times the vehicle miles traveled than that of personal-use drivers. This customer sector overwhelmingly relies on fast charging networks for their charging needs and will be an important stakeholder to engage to ensure both delivery of benefits to the grid and the value of VGI to drivers.

Sincerely,

/s/ Deidre Sanders

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Director, Public Policy
East Bay Community Energy

⁷ e.g., CalEnviroScreen 3.0 and AB 1550 households and communities.