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#### PG&E Additional Comments on the Development of the Community Energy Resilience Investment Program

Additional submitted attachment is included below.



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California Energy Commission Angela Gould, Deputy Director Alex Horangic, Manager Energy Research and Development Division Community Energy Resilience Investment Program Docket Number 22-ERDD-01 715 P Street Sacramento, CA 95814

### Re: Pacific Gas and Electric Company Comments on the Development of the Community Energy Resilience Investment Program (Docket Number 22-ERDD-01)

Dear Director Gould and Ms. Horangic,

Pacific Gas and Electric Company (PG&E) appreciates the California Energy Commission (CEC) for the opportunity to provide additional feedback on the development of the Community Energy Resilience Investment (CERI) program.

In the CERI presentation overview given by the CEC on September 16, 2022, preliminary program criteria were discussed on slides 10 to 12.<sup>1</sup> Slide 12 included "preference for priority communities," which used scoring criteria based on the CalEnviroScreen (CES) 4.0 tool or Senate Bill (SB) 535 on Disadvantaged Communities (DACs). Additionally, this slide included "resiliency and other energy or climate-related challenges captured in other evaluation criteria." PG&E looks forward to reviewing the definition of these criteria once they are available.

To help finalize the CERI program, PG&E believes that additional criteria should be considered beyond the use of the CES 4.0 or SB 535 definitions of DACs to ensure that the program supports grid resilience in the areas where this is most needed, as intended by the Federal Infrastructure Investment and Jobs Act.

To summarize, PG&E recommends that the CEC use the existing California Public Utilities Commission (CPUC) definition in their Order Instituting Rulemaking (OIR) Decision D. 20-08-046 of disadvantaged vulnerable communities<sup>2</sup> with two modifications for the CERI program: 1) the California Department of

- <sup>1</sup> Update Scoping and Development of the Community Energy Resilience Investment (CERI) Program, Presentation to DACAG, September 16, 2022. <u>https://efiling.energy.ca.gov/GetDocument.aspx?tn=246095</u>
- <sup>2</sup> CPUC Climate Adaption Order Instituting Rulemaking (OIR) Decision 20-08-046. <u>https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/climate-change</u>

Public Health (CDPH) Climate Change & Health Vulnerability Indicators tool should be used to replace or supplement the CES 4.0 tool; and 2) Rural Areas, as identified by the U.S. Health Resources and Services Administration (HRSA), should be added to the list of communities of focus given strong overlap with high wildfire-threat areas.<sup>3</sup> More detail regarding these recommendations is provided below.

# PG&E Recommends that the CEC Use the Existing Definition of Climate Hazards<sup>4</sup> with Focus on Sensitivity in Disadvantaged Vulnerable Communities, with Two Adaptations when Determining Communities of Focus in the CERI Program

PG&E appreciates the important equity considerations affected by how resilience, climate resilience, disadvantage, and climate vulnerability are defined, and almost none of these terms have firm, shared policy definitions at this point.

Given that exposure to climate hazards is so high across California, the CPUC, in Decision D. 20-08-046 within the Climate Adaptation Proceeding, focused on sensitivity – which means the most likely to be negatively impacted if exposed to these hazards. The CPUC defines Disadvantaged Vulnerable Communities in a climate adaptation proceeding as:

- The 25% highest-scoring census tracts according to CalEnviroScreen;
- All California tribal lands;
- Census tracts with median household incomes less than 60% of state median income; and
- Census tracts that score in the highest 5% of pollution burden within CalEnviroScreen but do not receive an overall CalEnviroScreen score due to unreliable public health and socioeconomic data.

This definition moves the focus from hazard-specific to community-specific, which would likely lead to more equitable distribution of resources.

1- Adaptation Number One to the existing definition of Climate Hazards: PG&E suggests the CEC review the California Department of Public Health (CDPH) Climate Change & Health Vulnerability Indicators to replace or use in addition to use of the CalEnviroScreen (CES) Tool, which does not indicate a community's exposure to climate-driven hazards.

At least a third of a CES score is comprised of local pollutant exposure and environmental effects indicators. None of the factors in these categories indicate a community's exposure to climate-driven hazards.

The remainder of the CES score is composed of demographic and socioeconomic indicators. However, the CEC should also select indicators that are meaningfully correlated to climate hazards. The demographic factors included in CES 4.0 were selected for their relationship to local pollutant exposure and consist of just three measures (asthma rate, cardiovascular disease rate, and low birth weight).

<sup>&</sup>lt;sup>3</sup> See U.S. Health Resources and Services Administration's complete list of rural areas available at <u>https://www.hrsa.gov/rural-health/about-us/definition/datafiles.html</u>.

<sup>&</sup>lt;sup>4</sup> CPUC decision <u>20-08-046 defines the climate hazards assessment to include information on wildfires, extreme heat (temperature), extreme storms (high precipitation), sea-level rise, drought driven subsidence, and cascading impacts.</u>

PG&E recommends that the CEC also consider climate hazards in addition to local air pollution when determining which communities should be focus areas for the CERI program.

The California Department of Public Health (CDPH)'s Climate Change & Health Vulnerability Indicators for California (CCHVIz)<sup>5</sup> were specifically designed to indicate relative climate vulnerability based on exposure, sensitivity, and adaptive capacity (the standard climate hazard assessment categories). The CCHVIz allows for relative, county-based displays of both sensitivity and exposure, which provides support for distribution of funds targeted to resilience. This tool also indicates if nearby counties share similar vulnerabilities to indicate whether "regional action is merited." PG&E recommends leveraging this existing work for the CERI program.

## 2- Adaptation Number Two to the existing definition of Climate Hazard: PG&E recommends the CEC add Rural Areas as Identified by the U.S. Health Resources and Services Administration (HRSA)

San Diego Gas & Electric Company, Southern California Edison Company, and PG&E (together, the "Joint Utilities") filed in December 2021 their Implementation Plan for the Microgrid Incentive Program. This program, directed by the CPUC in Track 2 of the Microgrids and Resiliency OIR (D.21-01-018), seeks to fund clean community microgrids to support the critical needs of vulnerable populations impacted by grid outages.

The Joint Utilities worked with a broad coalition of stakeholders through a series of workshops in 2021 to design the program to equitably meet the needs of disadvantaged and vulnerable communities that were at risk of grid outage. In their Microgrid Incentive Program Implementation Plan, the Joint Utilities utilized the criteria from the Climate Adaptation proceeding noted above, with the important addition of rural areas, as defined by the HRSA.<sup>6</sup> The Joint Utilities included rural areas because of their high propensity for overlap with outage risk due to High Fire Threat Districts. For this reason, PG&E recommends that the CEC include rural areas as part of the CERI eligibility criteria.

#### PG&E's Continuing Engagement and Work with Communities.

Finally, PG&E supports community climate resilience through the energy system primarily by providing safe, reliable, affordable, increasingly non-emitting energy. To do this, PG&E must also invest in the resilience of the energy system itself. PG&E understands that while building local climate resilience is the responsibility of communities themselves, we have a critical role to play in supporting their resilience plans.

To that end, PG&E has created multiple programs to support community energy resilience. In April 2021, PG&E launched the Community Microgrid Enablement Program (CMEP)<sup>7</sup>. This program seeks to empower communities directly through a combination of technical and financial assistance, as well as

<sup>&</sup>lt;sup>5</sup> CCHVIz: <u>CCHVIz (ca.gov)</u>

<sup>&</sup>lt;sup>6</sup> See U.S. Health Resources and Services Administration's complete list of rural areas available at <u>https://www.hrsa.gov/rural-health/about-us/definition/datafiles.html</u>.

<sup>&</sup>lt;sup>7</sup> <u>www.pge.com/cmep</u>. CMEP was introduced in Track 1 of the Microgrid and Resiliency OIR as part of PG&E's proposal to address PSPS mitigation and support energy resilience for our customers and communities.

through the development of the tariff and agreements necessary to facilitate multi-customer microgrids. CMEP helps surmount the technical, financial, legal, and regulatory challenges inherent in scaling novel microgrid deployments for energy resilience.

Additionally, PG&E has launched the Community Engagement Program (CEP) associated with PG&E's Climate Vulnerability Assessment, which will be submitted to the CPUC in May 2024. Through the CEP, PG&E has learned that our customers in the Central Valley and North Valley/Sierra regions believe improving resilience starts with better emergency preparedness engagement. Their resilience priorities are as follows:

- Improving emergency preparedness communication channels to better reach monolingual, disabled, and rural communities who often don't receive any alerts;
- Expanding and increasing funding for more targeted, streamlined residential customer programs aimed at low-income customers that give greater financial relief or install infrastructure (such as batteries) without requiring upfront capital;
- Increasing funding for community-based organizations to be ongoing partners on the ground to communicate and lead mitigating climate change impacts across a breadth of programs and investments; and
- Funding external partnerships to both address housing stock and workforce impacts marginalized communities disproportionately face that are related to climate change and their future survival.

PG&E recognizes that the scale of the climate challenge requires that we come together to find efficient and affordable ways of building resilient communities. PG&E looks forward to continued collaboration and further engagement with the CEC on the implementation of the CERI program to bolster our joint efforts in building more resilient communities in California. Please feel free to reach out to me if you have any questions.

Sincerely,

Licha Lopez State Agency Relations