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Greenlining Institute Comments on Community Benefits H2ONSITE Solicitation

Additional submitted attachment is included below.



Clean Hydrogen Program

Energy Research and Development Division California Energy Commission 715 P Street Sacramento, CA 95814

November 30th, 2023

Re: H20NSITE Draft Solicitation Community Requirements

The Greenlining Institute ("Greenlining"), works toward a future where communities of color can build wealth, live in healthy places filled with economic opportunity, and are ready to meet the challenges posed by climate change. Greenlining appreciates the opportunity to submit public comments on the California Energy Commission's (CEC) Community Engagement, Benefits, and Impacts requirements for the H2ONSITE solicitation.

As the Clean Hydrogen Program deploys among the state's first clean hydrogen pilot projects, we encourage the CEC to set the standard in California and lead with community decisionmaking and transparent processes for measurement and communication of environmental and community impacts. We urge the CEC to incorporate our recommendations into the final solicitation.

1. Is the Community Engagement, Benefits, And Impacts task proposed in this document realistic, reasonable, and feasible?

Yes, the items listed in the document are realistic, reasonable, and feasible and should be viewed as a baseline for operationalizing a robust community engagement, benefits, and impacts process for projects awarded in this solicitation. As a program dedicated to pilots and demonstrations of hydrogen production and deployment in California, the Clean Hydrogen Program should be an example for the state of thoughtful community engagement, transparent communication, and proactive collection of data to inform environmental and equity concerns around hydrogen projects. We encourage the CEC to consider the following recommendations on strengthening these considerations in the community engagement and reporting requirements.

2. What would be the appropriate level of funding for the proposed Community Engagement, Benefits, and Impacts task?

We appreciate that the CEC is specifically setting aside funds for the community engagement, benefits, and impacts task. The allocation of at least 3% of project funds (estimated between \$210k - \$300k per awarded project) is lower than typically seen in projects, especially if CBOs and California Tribal Organizations are compensated members of the project teams.

As a baseline, about 9% of all spending for the Solar On Multifamily Affordable Housing Program (SOMAH)¹, about \$3M went toward CBO activities from 2018-2022. The SOMAH program has a unique structure with involved scopes of work for CBOs ranging from; administration, tenant education, digital organizing, property owner outreach, government stakeholder outreach, contractor outreach, marketing material development, program evaluation, and workforce development (job seeker/ job training organization outreach). However, the early years of SOMAH had much of its funding focused on capacity building for CBOs since it was a large and complex program. Similarly, this solicitation under the Clean Hydrogen Program is a complex topic that may require additional staffing from CBOs to provide the level of engagement outlined in this document. We recommend that the CEC should subsequently allocate a minimum funding amount between 7-10% that covers capacity-building needs for organizations to participate and compensation for each task the organization will undertake in its scope of work. The CEC should assess at the end of each funding year if the funding to CBOs and California Tribal Organizations was sufficient to cover capacity building and project activities and adjust the percentage of funds as needed.

3. Should CEC require all funded projects to track and report on specific key indicators for community benefits and localized health impacts?

Yes, given the Clean Hydrogen Program's role in piloting hydrogen projects in California, it is important that the CEC establish robust reporting requirements to answer critical questions concerning community health, environmental and affordability impacts, and distribution of benefits in priority communities. The example metrics provided in the table are for tracking positive benefits, but to clearly measure impacts it is imperative to also track potential negative impacts like air pollutants emitted (e.g. GHG, NOx, hydrogen), household bill changes, number of household hospital visits, etc. We recommend that the CEC require project teams to work with CBOs and California Tribal Organizations to identify potential negative impacts or unintended consequences and how they would mitigate them as part of the Pre-Project Community Benefit and Impacts Report in addition to tracking the benefits listed.

We appreciate the table of example key indicators as a starting point. We strongly recommend that the CEC require <u>all</u> the metrics listed in the table to be tracked during the project life. The CEC should also require the project team to provide clarification on the metrics by defining "community" relative to the projects. For example, the metric "Dollar value [\$] and number of clean energy assets owned by community" would need a definition for community (i.e. geographically, by impacted populations, etc).

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¹ SOMAH

We also commend the CEC on including qualitative indicators in addition to quantitative ones. We recommend that the CEC require reporting on qualitative indicators, which may come at an additional cost with the collection of surveys or conducting interviews.

4. What additional requirements should CEC consider to ensure that funded projects bring direct benefits to communities?

Ensuring direct benefits to communities starts with transparency and community decisionmaking. In addition to letters of support and outreach events, we recommend that the CEC require the Project Narrative to include more specifics on how community input will be factored into the project team's decisionmaking process. Without this measure of accountability, the appropriate outreach and conversations with community partners could occur, but it would be unclear if or how their input was incorporated. This can lead to mistrust with community partners and less willingness from them to engage in future time-intensive projects due to the lack of transparency of how their input is shaping project decisions.

This transparency must also be held internally in the project team. The project team could "meet and consult regularly" with CBOs and California Tribal Organizations, but there is currently no requirement for disclosure of the internal structure or the decisionmaking power these organizations would have within the project team. We recommend that the CEC require project teams to propose a decisionmaking structure for the team, including how input from CBOs and California Tribal Organizations will be factored into project decisions.

We appreciate that the Project Narrative requires that applicants provide the methodology for determining impacts on communities throughout the project life. Having the methodology and assumptions for benefits calculations available in the public record helps with accountability and ensures that potential benefits are not overstated with unrealistic assumptions. We recommend that the CEC extend that requirement of reporting transparency of the methodology into all the required reports.

Another mechanism for transparency and accountability we recommend is for **the CEC to** require the project team to publicly publish Specific, Measurable, Attainable, Realistic, Timely, Inclusive, and Equitable (SMARTIE)² goals every year of the project to measure progress. Many other federal programs already require reporting SMART goals like the Home Energy Rebates Program.³

5. What type of technical assistance is required to ensure equitable participation and project success, and why? Please provide relevant comments regarding other considerations not explicitly listed above.

As mentioned in our response to question 2, we recommend the CEC set aside funding for the capacity building and technical assistance needed for organizations to be able to participate

² SMARTIE Goals Worksheet

³ Home Energy Rebate Programs Requirements & Application Instructions (pg.17)

on the project team. The Strategic Growth Council's Transformative Climate Communities (TCC) program is a good example of how these services are set up.⁴

Furthermore, while we appreciate this document's focus on providing details for operationalizing community engagement throughout the project life, similar detail was not provided for workforce development. Workforce development to engage populations that are not typically represented in the clean energy industry will require intentional planning. We recommend that the CEC engage with more workforce-related stakeholders to build a clear pathway of requirements for the project team to meet throughout the project life that will result in high-quality jobs that are accessible to local, women, and BIPOC workers.

We also recommend the CEC provide the option for equity and/or conflict resolution training for the project team at the beginning of the project. This will help establish a baseline of best practices and communication with the project team.

Lastly, we recommend the CEC add to the criteria for an entity to qualify as a CBO, "Has a community member base" to ensure that local community groups are involved in the project team.

Conclusion

We hope our recommendations will be adopted in the final solicitation and Greenlining looks forward to further discourse with the CEC on ensuring community considerations are front and center in the Clean Hydrogen Program.

Sincerely,

Fatima Abdul-Khabir
Energy Equity Program Manager
The Greenlining Institute

⁴ Transformative Climate Communities Program Round 5 Draft Program Guidelines