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Request for the Expansion of Matching Fund Criteria on all California Energy Commission Grant Programs

see attached document

Additional submitted attachment is included below.



March 7, 2024

Dear Disadvantaged Communities Advisory Group,

I am writing to you on behalf of Sien, Inc, a California benefit corporation. We are a community solar development company, building clean energy power plants within and benefiting low-to-medium income (LMI) communities, primarily in the California Central Valley. We are responsible for overseeing the entire cycle beginning from the project vision until and after the plant is generating power. In the course of funding these power plants, we are experiencing a significant barrier to entry for practically every disadvantaged community (DAC) that does not have access to significant private capital, exasperating the inequity across every single DAC community in the state.

Consider the *Match Funding* requirements for the Optimizing Long-Duration Energy Storage to Improve Resilience and Reliability in Disadvantaged and Low-Income Communities and Native American Tribes¹ EPIC grant opportunity previously offered by the California Energy Commission (CEC). Match funds are defined and categorized by a cash or in-kind match whereupon the cash is demonstrated to be liquid and is favored over an in-kind match. An in-kind match is any form of personnel, goods and services, whether direct or in-direct, in addition to equipment, facilities or property used in the project. Consider further the scoring weight placed on cash funds that is weighed by an additional score given to a cash amount beyond the required minimum. In other words, selected grant winners are flush with cash and those not eligible or not selected are simply cash poor.

The Energy Commission's role is "to analyze potential business models that would create market opportunities for emerging clean energy technologies to be deployed in a manner that directly benefits low-income customers and disadvantaged communities..."² The adopted business model materialized through the EPIC matching funds requirement fails to account for the potential benefit of federal investment funds such as the Investment Tax Credit along with the Domestic Content, Energy Community and Low-Income bonus credits that together total up to 70% of the project cost. Yet that money holds no value in an EPIC grant.

It is Sien's contention the Match Funding requirements for EPIC grants forcefully dilutes the benefit to the LMI community and needlessly increases cost when in-fact incentivized projects are financially viable, sound and secure. SB 350 compels the California Energy Commission to assess and identify barriers to,

¹ California Energy Commission. (2023, June 13). GFO-22-307 - Optimizing Long-Duration Energy Storage to improve resilience and reliability in Disadvantaged and Low-Income communities and Native American Tribes. https://www.energy.ca.gov/solicitations/2023-06/gfo-22-307-optimizing-long-duration-energy-storage-improve-resilience-and

² Scavo, Jordan, Suzanne Korosec, Esteban Guerrero, Bill Pennington, and Pamela Doughman. 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. California Energy Commission. Publication Number: CEC-300-2016-009-CMF.



and opportunities for, access to other renewable energy by low-income customers.³ In effect, the CEC has created and an overwhelming barrier for investment in the LMI community.

Sien, Inc. respectfully requests an expedited analysis of the impact behind the *Match Funding* requirement. Sien further requests a unilateral and indefinite expansion of the *Match Funding* requirement to include current and future state and federal incentives on all CEC funding opportunities. Sien also requests these incentives carry a weight of twice of any cash or in-kind funding.

It is imperative the Disadvantaged Communities Advisory Group take upon this issue with the greatest sense of urgency to create change that eliminates inequity and compounds existing federal investments in areas of greatest need in our State of California. Our LMI communities cannot wait for the wheels of our government to churn at glacial speed. They have waited long enough. Sien, Inc. eagerly awaits your response.

Sincerely,

Armin M. Garcia Chief Technology Officer

³ California Energy Commission. (n.d.). Clean Energy and Pollution Reduction Act - SB 350.

https://www.energy.ca.gov/rules-and-regulations/energy-suppliers-reporting/clean-energy-and-pollution-reduction-act-sb-350