BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

In the Matter of the Application of Pacific Gas and Electric Company for Approval of its 2018-2020 Electric Program Investment Charge Investment Plan. (U39E).	Application 17-04-028 (Filed April 28, 2017)
Application of the California Energy Commission for Approval of Electric Program Investment Charge Proposed 2018 through 2020 Triennial Investment Plan.	Application 17-05-003 (Filed May 1, 2017)
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THE CALIFORNIA ENVIRONMENTAL JUSTICE ALLIANCE AND THE GREENLINING INSTITUTE OPENING COMMENTS ON THE EPIC PROGRAM

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The California Environmental Justice Alliance ("CEJA") and the Greenlining Institute ("Greenlining") respectfully submit these comments pursuant to the August 18, 2017 Scoping Memo and Ruling of Assigned Commissioner.

Within these comments, CEJA and Greenlining describe the basic parameters for creating an Electric Program Investment Charge ("EPIC") program component focused on disadvantaged communities ("DACs") by describing how DACs should be defined and answering the questions posed by the Commission following the September 8, 2017 workshop. CEJA and Greenlining plan to outline specific procedural and process recommendations for a program component targeting DACs in our comments on October 2, 2017 in response to the evaluation of the EPIC program.

INTRODUCTION

Dirty fossil fuel facilities in California are disproportionately located in disadvantaged communities,[1] and disadvantaged communities disproportionately bear the adverse environmental and health impacts from the use of fossil fuels.[2] Communities that bear a disproportionate impact of environmental pollution also generally have a higher energy burden,[3] making them more vulnerable to fluctuating energy prices and the expected increased energy needs due to climate change.[4] Due to reasons such as these, climate change will continue to hit disadvantaged communities first and worst.[5]

Despite this, disadvantaged communities are the least likely to benefit from California's transition to a clean energy future. The benefits of the transition to a clean

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[1] *See* L. Cushing, et. al, A Preliminary Environmental Equity Assessment of California's Cap-and-Trade Program at p. 2, 4, 5 (2016), *available at* https://dornsife.usc.edu/PERE/enviro-equity-CA-cap-trade.

[2] *See*, e.g., Manuel Pastor, et. al., Minding the Climate Gap: What's at Stake if California's Climate Law Isn't Done Right and Right Away 8–12 (2010), *available at* http://dornsife.usc.edu/pere/documents/ mindingthegap.pdf.

[3] *See*, e.g., 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, 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, (Dec. 2016), http://www.energy.ca.gov/sb350/barriers_report/ (last accessed Sep 22, 2017) (hereinafter "CEC Barriers Study"); Campaign for Home Energy Assistance, The LIHEAP Investment 1 (2010), *available at* http://liheap.org/assets/investment/LIHEAP_investment_june2010.pdf (discussing a program to provide assistance to low-income households to pay for heating and cooling their home).

[4] *See* Rachel Morello-Frosch, et. al., The Climate Gap, at p. 5.

[5] *See*, e.g., Rachel Morello-Frosch, et. al., The Climate Gap, at p. 7, *available at* https://dornsife.usc.edu/assets/sites/242/docs/The_Climate_Gap_Full_Report_FINAL.pdf (discussing how disadvantaged communities will suffer more from the impacts of climate change.) The key finding of this report is: "[t]here is a climate gap. The health consequences of climate change will harm all Americans – but the poor and people of color will be hit the worst."

energy economy have not been spread equally in the State. Currently, clean energy programs like Electric Program Investment Charge (EPIC) are largely not reaching the communities that need them the most. A December 2014 study by the California Energy Commission found that while low-income and disadvantaged communities financially support the State's extensive clean energy programs and spend a larger percentage of their household income on utility costs, most are unable to participate in those programs.[6] For example, in 2015, only 14% of EPIC funds went toward projects benefiting disadvantaged communities even though they made up 25% of the State's population.[7]

Directing EPIC funds toward disadvantaged communities can help remove some of the many barriers that continue to limit residents of these communities from fully participating in clean energy programs.[8] Focused EPIC projects can ensure that these communities are not further left behind as the State moves away from dirty fossil fuels to a clean renewable energy future. In addition, these types of projects can help promote job development and increase property values and economic growth in the communities that need it most. Those in California who have paid a higher price for our fossil fuel economy must be able to participate in and benefit from the clean energy projects EPIC supports.

THE DEFINITION OF DISADVANTAGED COMMUNITIES

To define disadvantaged communities for purposes of this proceeding, CEJA and

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[6]CEC Barriers Study at pp. 29, 64.

[7] Energy Commission Program Highlights, PROGRAM HIGHLIGHTS - CEC DIVERSITY COMMITMENT, http://www.energy.ca.gov/commission/diversity/highlights.html (last visited Sep 22, 2017).

[8] *See generally* CEC Barriers Study, at p. 2 (some of barriers may be overcome by "new policy development or program refinement.")

Greenlining recommend that the Commission use the definition the California Environmental Protection Agency developed pursuant to Section 39711 of the Health and Safety Code, which provides:

> The California Environmental Protection Agency shall identify disadvantaged communities for investment opportunities related to this chapter. These communities shall be identified based on geographic, socioeconomic, public health, and environmental hazard criteria, and may include, but are not limited to, either of the following:
>
> (1) Areas disproportionately affected by environmental pollution and other hazards that can lead to negative public health effects, exposure, or environmental degradation.
>
> (2) Areas with concentrations of people that are of low income, high unemployment, low levels of homeownership, high rent burden, sensitive populations, or low levels of educational attainment.[9]

CEJA and Greenlining further recommend using the most recent version of CalEnviroScreen, which was developed by the California Environmental Protection Agency ("CalEPA") pursuant to Section 39711 to "identify communities in California most burdened by pollution from multiple sources and most vulnerable to its effects, taking into account socioeconomic characteristics and underlying health status."[10] In particular, CalEnviroScreen was designed to assist CalEPA "in carrying out its environmental justice mission to conduct its activities in a manner that ensures the fair treatment of all Californians, including minority and low-income populations."[11]

Several reasons support the Commission relying on CalEnviroScreen in this

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[9] Cal. Health & Safety Code § 39711.
[10] CalEPA, OEHHA, Approaches for Identifying Disadvantaged Communities, p. 1 (Aug. 2014), *available at* http://oehha.ca.gov/ej/pdf/ApproachesnIdentifyDisadvantagedCommunitiesAug2014.pdf.
[11] CalEPA, OEHHA, California Communities Environmental Health Screening Tool, Version 2.0, at p. i (Aug. 2014), *available at* http://oehha.ca.gov/ej/pdf/CES20Finalreport2014.pdf.

proceeding. CalEnviroScreen is an important tool for advancing environmental justice that has been developed through a lengthy public process.[12] It gives decision-makers a clear, credible scientific methodology to identify environmental justice communities, which can be difficult to do.[13] Indeed, CalEnviroScreen is a strong methodology that has been vetted by environmental justice academics and advocates over a number of years.[14] In this proceeding, it is important that the Commission use a reliable definition of disadvantaged communities. CalEnviroScreen provides that reliability.

The most recent version of CalEnviroScreen, CalEnviroScreen 3.0, which was released in January 2017, uses California's approximately 8,000 census tracts to do a quantitative analysis of multiple pollution sources and stressors.[15] Consistent with the language of Section 39711, CalEnviroScreen "includes two components representing pollution burden – exposures and environmental effects – and two components representing population characteristics – sensitive populations (e.g., in terms of health status and age) and socioeconomic factors."[16] Those two components are given scores, and then they are multiplied to create a CalEnviroScreen score.[17]

Importantly, state agencies have relied on CalEnviroScreen in regulatory processes. Specifically, CalEPA utilized CalEnviroScreen to identify disadvantaged

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[12] *Id.*
[13] *Id.* at p. 1.
[14] *Id.* at pp. i-ii.
[15] CalEPA, OEHHA, CalEnviroScreen 3.0, Update to the California Communities Environmental Health Screening Tool, *available at* http://oehha.ca.gov/media/downloads/calenviroscreen/report/ces3report.pdf. [hereinafter "CalEnviroScreen 3.0 Report"]
[16] *See* CalEnviroScreen 3.0 Report at p. 5.
[17] CalEnviroScreen 3.0 Report at p. 6.

communities pursuant to SB 535,[18] by requiring that 25 percent of the proceeds from California's cap-and trade auctions be invested in projects that benefit disadvantaged communities, including 10 percent for projects located directly within these areas.[19]

In addition, the Commission has relied on CalEnviroScreen in the SB 43 proceeding to identify the most disadvantaged communities for the purpose of directing renewable projects to these communities.[20] To support its decision, the Commission reasoned that:

> First, as required by SB 43, CalEnviroScreen was developed by CalEPA. Second, although CalEnviroScreen was originally implemented for allocation of greenhouse gas (GHG) funds, SB 535 and SB 43 cite almost identical factors to be used in identifying target locations. Third, CalEnviroScreen is committed to continuing to update and refine its methodology. Fourth, CalEnviroScreen will provide a consistent state-wide screening methodology.[21]

AB 693 also requires the Commission use CalEnviroScreen to define "disadvantaged community" in its administration of the Multi-Family Affordable Housing Solar Roofs Program.[22]

The CEC relies on the same definition when considering disadvantage communities for its programs:

> This report uses the definition of disadvantaged communities included in SB 350 (PUC Code § 400 [d]), which relies on Health and Safety Code § 39711 to identify disadvantaged communities based on geographic, socioeconomic, public health, and environmental hazard criteria, as addressed in the California Environmental Protection Agency's (CalEPA) California Communities Environmental Health Screening tool (CalEnviroScreen).[23]

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[18] CalEPA, *Designation of Disadvantaged Communities Pursuant to Senate Bill 535* (De León) (Oct. 2014), *available at* http://www.calepa.ca.gov/EnvJustice/GHGInvest/Documents/SB535DesCom.pdf.
[19] *Id.*
[20] D.15-01-051 at pp. 53-54 (SB 43 Decision).
[21] D.15-01-051 at pp. 53-54 (SB 43 Decision).
[22] Assem. Bill 693, Reg. Sess. 2015-2016 (Cal. 2015).
[23] CEC Barriers Study, pp. 15-16.

All these reasons support the Commission's reliance on CalEnviroScreen in this proceeding.

In addition, CEJA and Greenlining recommend that the cut-point, which determines how many census tracts and how large a population is defined as "disadvantaged" under CalEnviroScreen, should be consistent with CalEPA's most recent recommendation for a cut-point, which was 25 percent in CalEPA's decision for SB 535. CEJA and Greenlining also support defining disadvantaged communities as either the top 25 percent in the state or in an IOU service territory, whichever is broader.[24] CEJA and Greenlining further recommend that the Commission rely on the latest version of CalEnviroScreen for determining which census tracts fit within this definition.

Importantly, this recommended definition is also consistent with Assembly Bill 523, which recently passed both houses in the Legislature.[25]

RESPONSES TO QUESTIONS POSED BY STAFF

CEJA and Greenlining respond to the questions related to disadvantaged communities posed by Staff on September 12, 2017.

1. *Should the EPIC program have specific goals or targets with respect to disadvantaged communities (DACs)?*

Yes, a critical component of ensuring benefits for DACs will be providing a concrete goal or target. Real concrete requirements like these are essential: "policies that have specific equity thresholds, rather than loose principles or goals, are more likely to

[24] *See* D.16-01-045; D-16-01-023.
[25] Assem. Bill 523, 2017-2018 Reg. Sess. (Cal. 2017).

ensure real benefits for underserved communities."[26] Without a concrete goal or target, there is no guarantee that a certain percentage of these projects will be in and/or benefit DACs. As the CEC Barriers Study describes, the numerous barriers low-income and disadvantaged communities face lead to fewer clean energy investments in those areas.[27] Targeted policy interventions are required to disrupt these inequities. Residents of low-income and disadvantaged communities pay into EPIC as ratepayers, and they deserve to benefit from its successes.

CEJA and Greenlining commend the CEC for its voluntary commitment to invest in disadvantaged communities in the form of a targeted set aside for EPIC Technology Demonstration and Deployment projects.[28] We encourage the Commission to formalize similar specific targets for all Administrators of EPIC.

a. *If so, what? How can these be measured and tracked? What does success look like?*

CEJA and Greenlining recommend that the EPIC program require that: at least 25% of all the EPIC funding[29] be used for projects located in and benefiting disadvantaged communities; and at least 10% of all the EPIC funding be used for projects located in and benefiting low-income communities.[30] This recommendation is consistent with the

[26] Facing the Climate Gap, at p. 4, *available at* https://dornsife.usc.edu/assets/sites/242/docs/FacingTheClimateGap_web.pdf.
[27] CEC Barriers Study at pp. 2-4.
[28] CEC Barriers Study at p.10.
[29] Distinct from AB 523, CEJA and Greenlining recommends goals for Applied Research and Development, Technology Demonstration and Deployment, and Market Facilitation.
[30] "Low-income communities" means communities within census tracts with median household incomes at or below either of the following levels: (A) Eighty percent of the statewide median income. (B) The applicable low-income threshold listed in the state income limits updated by the Department of Housing and Community Development and

language of AB 523 for EPIC's Technology Demonstration and Deployment projects. This recommendation is also consistent with the CEC's recommendation in the Barriers Study for the CEC's program.[31] The CEC further recommended that:

> The IOUs – PG&E, SCE, and SDG&E – should identify opportunities to locate technology development and deployment projects in disadvantaged communities in all future EPIC Investment Plans, including their 2018-2020 EPIC Investment Plans.[32]

Distinct from AB 523 and the CEC Barriers Study, CEJA and Greenlining recommend these 25% DAC and 10% low-income goals for *all* EPIC's project categories including Applied Research and Development, Technology Demonstration and Deployment, and Market Facilitation. For Applied Research and Development funds, CEJA and Greenlining request projects within this set-aside *benefit* disadvantaged communities by removing their barriers to clean energy access. CEJA and Greenlining recommend the Commission require Market Facilitation and Technology Demonstration and Deployment projects within this set-aside be *located in* and *benefit* low-income and disadvantaged communities. Since DACs represent 25% of the State's population, CEJA and Greenlining further request that at least 25% of all the EPIC buckets be sited in and/or benefit DACs.

Siting within DACs is an important way to help ensure projects benefit the intended communities. In line with AB 523, the CEC Barriers Study has recognized the need to site projects in the community that the program is intended to benefit. In particular, the

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filed with the Office of Administrative Law pursuant to subdivision (c) of Section 50093 of the Health and Safety Code." Assem. Bill 523, 2017-2018 Reg. Sess. (Cal. 2017).

[31] *See* CEC Barriers Study at p. 10 ("The Energy Commission's Electric Program Investment Charge (EPIC) Program should target a minimum of 25 percent of technology demonstration and deployment funding for sites located in disadvantaged communities.")

[32] CEC Barriers Study at p. 10.

CEC Barriers Study recommended that: "[w]here feasible, community solar installations should be deployed in the low-income and disadvantaged communities they serve, with priority given to locations that maximize benefits to the distribution system."[33] The CEC found in addition to the localized benefits of such projects located within communities, "such investments also result in substantially larger multipliers for economic development" for all ratepayers.[34]

Requiring the siting of projects in certain census tracks will allow for an easier evaluation of success than trying to assess whether particular projects indirectly benefit DACs. Success will depend on whether the project is accomplishing the desired benefits in the particular community such as environmental benefits like improving air quality or economic benefits such as job creation. The goals of the projects, as discussed below, should be determined based upon meaningful participation by the community.

The Commission may also consider requiring additional DAC specific reporting from EPIC Administrators on targeted DAC project success, community involvement, and the benefits of such projects similar to those required by the legislature under AB 523.[35] This would allow the Commission to evaluate the ongoing performance of any DAC target implementation and adapt policies or implementation requirements as needed.

2. How should the Commission evaluate the advantages, risks and/or tradeoffs of developing a specific DAC focus for the EPIC program?

The evaluation of the advantages, risks and tradeoffs for developing a specific

[33] CEC Barriers Study, Recommendations, at p. 6. The CEC also noted that "[c]ommunity solar targeting low-income customers could be sited in local disadvantaged communities, presenting opportunities to address environmental justice issues."
[34] CEC Barriers Study at p. 1.
[35] Assem. Bill 523, 2017-2018 Reg. Sess. (Cal. 2017).

project should happen through a meaningful public participation process that can be facilitated through community-based organizations. CEJA and Greenlining propose several elements for creating a meaningful public process in disadvantaged communities for developing EPIC projects. CEJA and Greenlining also recognize that the CEC's outreach during the Barriers Study provides a model framework for facilitating this outreach.

Initially, potential projects should be driven by community input which should involve integration into existing networks, engaging community leaders, and coordinating local meetings aimed at building upon community expertise.[36] This simultaneously encourages greater community and eventual customer participation, allowing projects to become more affordable and economically feasible. The Commission must remember with any DAC focused program within EPIC, DACs are not a homogenous interchangeable monolith. Over nine million, three hundred and fifty two thousand, seven hundred and thirty one people live in a designated disadvantaged community in California.[37] They may face several common barriers to clean energy, but the way those barriers play out in an individual DAC vary tremendously. DACs are vastly diverse across the State and the Commission must allow their residents to collaboratively design the programs working to serve their diverse needs.

Before conducting meetings, the community should be given a clear and

[36] As the CEC Barriers Study noted: "[s]electing better points of contact and increasing trust between program deliverers and low-income customers can increase the success of a program." CEC Barriers Study at p. 48.
[37] State of California, SB 535 List of Disadvantaged Communities California Climate Investments to Benefit Disadvantaged Communities, http://calepa.ca.gov/EnvJustice/GHGInvest/ (last visited Sep 22, 2017).

transparent timeline with advanced notice, translators and interpreters should be made available, and meetings should utilize engaging and diverse modes of communication. Some of the most effective ways to engage a community in demand-side type programs such as solar installations and energy efficiency improvements include: demonstrating deployment in the community; supporting individuals navigating the program application process; outreach through community-based organizations; and meeting childcare, food and other needs to reiterate the value of community members' time. To the extent possible, the EPIC project design process should utilize all proven methods of engaging a community, and in particular, leverage the historical relationships community-based organizations have with the communities that they serve.

Using these methods and coordinating with community-based organizations, the program Administrators can design projects that are specifically tailored to specific communities with the intent to increase deployment in the particular community as well as provide economic and environmental benefits. This will allow residents of DACs to truly "speak for themselves."[38]

3. What should EPIC focus on doing for DACs, and what areas are best left for other programs?

As described above, EPIC projects should focus on the areas identified by community members as types of projects that they desire to see in their communities. In addition, EPIC projects should specifically focus on reducing the barriers to deployment

[38] "The Principles of Working Together reaffirm that as people of color we speak for ourselves. We have not chosen our struggle, we work together to overcome our common barriers, and resist our common foes." First National People of Color Environmental Leadership Summit, "Principles of Working Together." EJ Net, http://www.ejnet.org/ej/workingtogether.pdf (last visited Sep 22, 2017).

in DACs. DACs face many structural and non-structural barriers to clean energy investment including low homeownership rates, insufficient access to capital, building age, higher utility prices, significant gaps in workforce development, small business challenges, high environmental hazard burden, public health burdens stemming from higher rates of pollution, language isolation, and older and inadequate public infrastructure.[39] Overcoming these burdens will help lessen the gap between DACs and the rest of the State.

The CEC's Barriers Study also recognized a number of policy and program as well as technical barriers. Projects specifically designed to overcome these identified barriers will also likely have a greater impact on increasing penetration to the communities that need it the most.

Further still, the specific goal of EPIC is to fund "clean energy research, demonstration and deployment projects that support California's energy policy goals and promote greater electricity reliability, lower costs, and increased safety."[40] These goals remain in the DAC context. Due to the high economic barriers to investment and high energy burden for customers in DACs, the Commission should prioritize projects that lower energy costs to customers.

Targeted projects that are designed with innovative ideas to overcome technical and economic burdens meet the program's goals, and are therefore appropriately considered within EPIC.

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[39] *See generally* CEC Barriers Study (describing barriers).
[40] California Energy Commission, Frequently Asked Questions about the Electric Program Investment Charge Program (EPIC) California Energy Commission, http://www.energy.ca.gov/research/epic/faq.html (last visited Sep 19, 2017).

a. How should EPIC DAC activities be coordinated with other DAC efforts currently ongoing in California?

EPIC Administrators can look to other programs, such as energy efficiency, and examine areas where projects are needed to reduce disparities between DACs and the rest of the State. Coordination will be critical to ensure that EPIC investments are moving the State forward. Indeed, the CEC recognized the need for increased collaboration and shared measurement when it recommended "collaboration among all program delivery agencies to establish common metrics and collect and use data systematically across programs to increase the performance of these programs in low-income and disadvantaged communities."[41]

4. Are there specific types of EPIC projects or investments that should be sited in/ targeted towards/provide benefits for DACs? Are there types of EPIC investments that cannot or should not be targeted towards DACs?

Yes, nearly every EPIC project could potentially be sited in DACs to the extent that those projects either increase penetration of clean energy, breaking down the barriers outlined above, or otherwise provide benefits to DACs.

First and foremost, the Commission should work to ensure beneficial results from EPIC projects in DACs. CEJA and Greenlining urge the Commission to explicitly incentivize non-energy benefits in the administration of EPIC. The Barriers Study recommends policy makers weave non-energy benefits into program evaluation and cost-effectiveness to encourage infrastructural, environmental, and social benefits as a result

[41] CEC Barriers Study, Recommendations, at p. 8.

from energy policy.[42] "Recognizing non-energy benefits not only helps justify the costs of such programs, but can convey a clearer picture of the societal benefits from such investments of public funds." Stated non-energy benefits or co-benefits of clean energy in disadvantaged communities include but are not limited to: local jobs, economic development, increased property values, educational opportunities, improved public health, improved air quality, lowering customer energy costs, reliable and safe access to energy services, ownership of assets, access to new technologies, and a sense of community pride.[43]

CEJA and Greenlining suggest incentivizing these non-energy benefits or co-benefits by using the "adders/reducers" framework from the Solar Massachusetts Renewable Target ("SMART Program").[44] Under this framework, projects with societally beneficial features are favored. CEJA and Greenlining suggest the Commission similarly incentivize co-benefits in DAC EPIC projects. Benefits can be defined in relation to DAC residents, EPIC innovator and project applicants, and ratepayers statewide. The particular non-energy benefits to prioritize should be determined by the Commission after meaningful public engagement with DAC residents and parties.

Since DACs by definition have a higher pollution burden than other parts of the state, the Commission should discourage the siting of EPIC projects with potential adverse localized health impacts or high emissions in these areas. The Commission could,

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[42] CEC Barriers Study, p. 59.
[43] *See generally* CEC Barriers Study.
[44] DOER Mass. Gov., Development of the Solar Renewable Target (SMART) Program Energy and Environmental Affairs (2016), http://www.mass.gov/eea/energy-utilities-clean-tech/renewable-energy/rps-aps/development-of-the-next-solar-incentive.html (last visited Sep 22, 2017).

like Assembly Bill 523,[45] require analysis of potential adverse localized health impacts of proposed EPIC projects in DACs by Administrators.[46] From a fundamental level, it does not make sense to encourage more pollution in the most polluted areas in California. While EPIC is a research fund and all outcomes from any proposed project are partially speculative at the application stage, the Commission should require Administrators to thoroughly analyze potential risks and prioritize the funding of projects where the benefits are most likely.

5. *What are the advantages of siting energy innovation projects in DACs? Are there cases where these locational advantages should not be the primary focus?*

Siting projects in DACs provides many benefits including economic and environmental benefits. Problematically, many of the benefits from siting projects in DACs are not recognized to the extent they should be within current policy structures.[47] CEJA and Greenlining recommend that the Commission specifically require consideration of economic and environmental benefits with relation to projects designed to benefits DACs.

As for economic benefits, the type of benefits can include local jobs, economic development, increased property values, lowering of customer's energy costs, and ownership of assets.[48] Importantly, high quality jobs and other economic benefits for

[45] Section 1(d).
[46] *See also* Alternative and Renewable Fuel and Vehicle Technology Program (ARFVTP). California Code of Regulations Title 13, (CCR § 2343 (c)(6)).
[47] CEC Barriers Study at p. 59.
[48] CEC Barriers Study p. 76-77.

disadvantaged communities is a ratepayer interest.[49] Some potential ways that a particular project could promote employment benefits is by providing long-term stable employment opportunities for members of the disadvantaged communities with a tie to workforce education and training.[50] Jobs that provide community members with competitive wages, job security, and upward mobility is an important non-energy benefit of programs increasing penetration of preferred resources in disadvantaged communities. "[D]eveloping local workforce participation in clean energy programs is integral to enabling the full range of benefits for low-income customers."[51]

As for environmental benefits, EPIC projects can provide improved air quality and public health by reducing reliance on fossil fuel generation. In addition, siting also provides other types of important community benefits such as a sense of community pride from ownership and investment in one's own community.

Given all the benefits associated with siting a project within a community, CEJA and Greenlining urge the Commission to require projects designed to benefit DACs to be sited within DACs. In addition to the siting criteria, projects designed to benefit DACs should also have other economic and environmental requirements to ensure that the DACs realize the benefits from the projects.

6. *Beyond project funding and siting/locational targets, what activities or investments could be implemented with the goal of benefiting DACs (such as partnership activities, workforce development and technical support, or*

[49] Cal. Public Util. Code § 740.8(b)(5).
[50] Greenlining and APEN's Comments on SB 350 Barriers Report, Docket Number 16-OIR-02, TN# 212959.
[51] CEC Barriers Study, Executive Summary, at p. 1.

training)? In addition to working with CBOs and community advocates, how can EPIC further facilitate participatory, community-based research opportunities?

Partnership activities, workforce development, and technical support or training could all potentially be used to help assist DACs in relation to EPIC. In particular, technical assistance and education is needed to help community groups and residents understand and navigate the EPIC application process. Initially, training is needed to help communities learn what EPIC is, what it can be used for, and how and if they can participate. If residents and community-based organizations decide to apply for an EPIC project, technical assistance should be available to help these groups and residents compile the necessary information.

CEJA and Greenlining also recommend that IOUs and the CEC partner with community-based organizations ("CBOs"). As the Barriers study found: "CBOs can make ideal partners in sharing program information with local residents, as well as in training the local workforce."[52] As noted above, partnerships with CBOs can also ensure the greatest community participation allowing for more cost-effective projects in DACs.

CEJA and Greenlining further recommend that the IOUs and the CEC adopt targeted DAC outreach, education, and technical assistance to solicit DAC applications. Institutional partners like universities can help support this effort if they receive incentives to partner with businesses or groups in disadvantaged communities.

7. *Should EPIC Intellectual Property rules be different for investments targeting DACs?*

[52] CEC Barriers Study at p. 79.

This issue will need to be handled on a case-by-case basis depending on the type of project being considered.

8. *Considering the three-year investment plan cycle and the administrators' individual funding and contracting processes, how can DAC efforts best be integrated? Should they occur as part of individual projects and/or as part of overarching program management? Provide input specifically on the administrative/program management approaches that could be used and any changes or impacts.*

The DAC program should have concrete requirements at the outset to ensure that a certain percentage of projects are targeted for DACs. That target should set a minimum requirement, a floor *and not* a ceiling, for deployment in DACs. As discussed above, once the target is set, CEJA and Greenlining recommend that the IOUs and CEC engage in a public process to solicit meaningful public feedback to assist with the design of projects. The results of the DAC solicitations should be assessed at least annually to ensure that the overall goal related to DAC deployment is being met.

9. Are there specific examples or precedents for similar innovation/R&D programs making a targeted DAC investment? If so, provide examples of program size, targets, metrics used, outcomes, and program rules.

Yes, projects that accelerate deployment in disadvantaged communities are examples of the types of projects that can be funded. For example, UCLA's project "Accelerating the Deployment of Advanced Energy Communities" is the type of project

that can be targeted for a disadvantaged community.[53] As described by UCLA, this project involves "data analysis and comprehensive community engagement, assessment of] local obstacles to state code implementation, and lays the groundwork for product and service aggregation at scale."[54]

Another type of project is one that addresses an entire neighborhood. The CEC Barriers Study recommended that an effort should be made to:

> Initiate pilot programs that address entire neighborhoods in disadvantaged communities, rather than building-by-building. Future expansions could include neighborhoods outside disadvantaged communities but that include a significant proportion of low-income households.[55]

An example of this is the Encanto Social-Economic and Environmental Education Development. As described by the Local Government Commission, this project is intended to transform Encanto, a San Diego neighborhood, into a zero net energy community through a distributed energy system optimizing energy use and upgrading existing residences and businesses.[56] This project is currently in progress.[57]

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[53] California Center for Sustainable Communities at UCLA, The EPIC Challenge: Accelerating the Deployment of Advanced Energy Communities Institute of the Environment and Sustainability at UCLA, https://www.ioes.ucla.edu/project/the-epic-challenge-accelerating-the-deployment-of-advanced-energy-communities/ (last visited Sep 22, 2017).
[54] *Id*.
[55] CEC Barriers Study at p. 61.
[56] Local Government Commission, An EPIC Approach to Deploying Advanced Energy Communities – Local Government Commission (2016), https://www.lgc.org/epic-approach-advanced-energy-communities/ (last visited Sep 22, 2017).
[57] TTG Environmental & Associates, Encanto Eco-Village Project Environmental Consulting Services, https://www.ttgenvironmental.com/enseed (last visited Sep 22, 2017).

Additionally, the CEC administers the Alternative and Renewable Fuel and Vehicle Technology Program Project, which prioritizes research in "environmental justice communities."[58]

CEJA and Greenlining recommend that more projects like these be initiated to determine how best to help an entire community transition to a green grid, not just a small subsection.

a. What challenges did these programs face?

Many projects are still in progress.

b. What made these programs succeed?

One measure of success should be integration of community feedback into the design of the program. There are several ways to measure procedural effectiveness, including:

- Were the residents of disadvantaged communities given a voice in the decision-making process?
    - Was their input taken into account?
    - Was the outcome altered to reflect that input?
    - How many people were reached?
    - Was the outreach accessible?

CEJA and Greenlining are unaware of any R/D DAC targeted programs that conducted a meaningful public engagement process for DAC residents.

[58] Defined as "communities of minority populations or low-income populations." Fuels and Transportation Division of the California Energy Commission, Alternative and Renewable Fuel and Vehicle Technology Program Proceedings California Energy Commission, http://www.energy.ca.gov/altfuels/ (last visited Sep 22, 2017).

10. Can EPIC DAC goals be reached within the context of EPIC's existing framework, or do those frameworks (such as the definition of required benefits, goals, administrative structure, and/or oversight processes) need revision?

EPIC's DAC goals need revision to be clear and concrete. Notably, the evaluation of the EPIC program found that: "[t]here is no clear set of priorities EPIC is seeking to address, or prioritization of research gaps or needs."[59] Given this, Evergreen Economics recommends that "[t]he CPUC establish priorities among its current policy goals and funding criteria to better guide the Administrators in their investment planning."[60] CEJA and Greenlining agree with this recommendation in relation to DAC requirements.

CONCLUSION

CEJA and Greenlining appreciate the opportunity to submit these comments on the EPIC programs consideration of disadvantaged communities. We look forward to working with the Commission, all parties, and DAC residents to increasing beneficial EPIC investments in California's most disadvantaged communities.

Respectfully Submitted,

California Environmental Justice Alliance
The Greenlining Institute

Dated: September 22, 2017

[Signatures Continued on Next Page]

[59] *See* EPIC Evaluation at p. 1-5.
[60] EPIC Evaluation at p. 1-5.

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