

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Identify
Disadvantaged Communities in the San Joaquin
Valley and Analyze Economically Feasible
Options to Increase Access to Affordable Energy
in those Disadvantaged Communities.

Rulemaking 15-03-010
(Filed March 26, 2015)

**OPENING COMMENTS OF THE GREENLINING INSTITUTE ON THE PROPOSED
DECISION APPROVING SAN JOAQUIN VALLEY DISADVANTAGED
COMMUNITIES PILOT PROJECTS**

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1) Introduction

In response to the California Public Utilities Commission’s (“CPUC” or Commission”) November 9, 2018 *Proposed Decision Approving San Joaquin Valley Disadvantaged Communities Pilot Projects* (“PD”) the Greenlining Institute (“Greenlining”) respectfully submits the following comments in accordance with Rule 14.3(a) of the Commission’s Rules of Practice and Procedure. Greenlining supports authorizing the eleven beneficial pilot projects outlined in the PD with minor modifications. Greenlining agrees with the Commission that “[t]he two primary objectives of the pilots are to provide access to affordable energy by reducing total energy costs for participating households and to collect data for use in Phase III of this proceeding.”¹ Greenlining believes the thoughtful and varied pilot projects put forth in the PD can satisfy this dual purpose.

Greenlining offers modifications to the PD on mandatory bill protections, tenant protections, workforce development, Pilot Administrator/Pilot Implementer (“PA/PI”) selection, Community Energy Navigator Program Manager (“CPM”) selection and residential storage. Greenlining thanks the Commission for directly engaging with San Joaquin Valley residents throughout this pilot design process and for integrating their feedback into this decision. Greenlining echoes the urgency many San Joaquin Valley residents expressed to the Commission on pilot authorization and implementation. Residents across the designated disadvantaged pilot communities in the San Joaquin Valley lack safe, reliable, and affordable access to the energy

¹ PD, p. 3.

services enjoyed by other Californians. These residents continue to suffer the injury of energy service denial.² The Commission possesses a fantastic opportunity to promote environmental and social justice (“EJSJ”)³ by investing vital energy resources in these communities.⁴ Greenlining encourages the Commission to adopt the PD with these stated modifications.

2) The Commission Should Require Bill Protections for All Pilot Participants

Greenlining supports meaningful bill protections for all pilot participants.⁵ The impacts of pilot projects on households’ energy spending are speculative at this time.⁶ Households may experience a “rebound effect” increasing their overall energy use and costs because of expanded access to new technologies.⁷ As PG&E explained in the context of their electrification pilots proposal, “Although these customers receiving total electrification may experience increases in electric bills due to new appliances and increased use, the overall energy burden should be reduced due to no longer paying for propane. However, PG&E recognizes that this may not be the case across all participants.”⁸ The pilots provide an incredible opportunity for the Commission to study potential bill impacts of fuel switching, the rebound effect and other proposed projects with a limited scope. This information is vital to Phase III and ultimately for achieving AB 2672’s goal of scaling affordable energy options across the San Joaquin Valley. The Commission should not unjustly burden participants in Phase II to produce information

² See Greenlining ALJs’ Ruling Response, pp. 5-7.

³ “**Environmental and social justice** seeks to come to terms with, and remedy, a history of unfair treatment of communities, predominantly communities of people of color and/ or low-income residents. These communities have been subjected to disproportionate impacts from one or more environmental hazards, socio-economic burdens, or both. Residents have been excluded in policy setting or decision-making processes, and have lacked protections and benefits afforded to other communities by the implementation of environmental and other regulations, such as those enacted to control polluting activities.” CPUC, *Draft Environmental and Social Justice Action Plan*, (Oct. 29, 2018), [http://www.cpuc.ca.gov/uploadedFiles/CPUCWebsite/Content/UtilitiesIndustries/Energy/Energy Programs/Infrastructure/DC/Action%20Plan%20DRAFT20181029.pdf](http://www.cpuc.ca.gov/uploadedFiles/CPUCWebsite/Content/UtilitiesIndustries/Energy/Energy%20Programs/Infrastructure/DC/Action%20Plan%20DRAFT20181029.pdf) (last accessed Nov 29, 2018), p. 6 (emphasis added).

⁴ *Id.* at p. 7 (“Goal 2: Increase investment in clean energy resources to benefit EJSJ communities, especially to improve local air quality”).

⁵ Greenlining Case Management Statement, p. 9; Greenlining Attachment B Response, pp. 7-9; Greenlining ALJs’ Ruling Response, p. 6; Greenlining Opening ACR Comments, pp. 4-5.

⁶ CEP Updated Pilot Proposal, p. 16; PG&E Updated Electrification Pilot Proposals, pp. 20-22.

⁷ Greenlining ALJs’ Ruling Response, pp. 11, 13; Greenlining Case Management Statement, p. 9.

⁸ PG&E Updated Electrification Pilot Proposals, p. 22.

beneficial for Phase III and eventually increasing affordable energy access across the San Joaquin Valley.

Greenlining agrees with the Commission that, “Ensuring that participating households experience energy cost savings is a central objective of the pilots.”⁹ Affordability is the North Star of AB 2672 guiding each phase of its implementation.¹⁰ AB 2672 and the PD restricts pilot participation to disadvantaged community residents defined through economic and geographic criteria.¹¹ As a result, the pilot communities “are some of the poorest communities in California...approximately eighty-five percent of households across the communities qualify for the California Alternative Rates for Energy program (“CARE”).”¹² San Joaquin Valley residents persistently raised energy affordability concerns at Public Participation Hearings, Community Energy Option Workshops and in filings throughout this proceeding. Any financial risk imposed on these pilot participants frustrates the purpose of AB 2672 and is unethical. Greenlining continues to support the proposed 20% bill discount for a period of twenty years in the Assigned Commissioner’s Ruling (“ACR”).¹³

Greenlining finds an additional workshop insufficient bill protection for pilot participants.¹⁴ An additional workshop provides no guarantees to pilot participants that their energy spending will not increase. Parties commented extensively on bill protection mechanisms throughout the last year on record in this proceeding. Greenlining is uncertain what new information parties, who had several opportunities to propose and revise bill protection mechanisms in this proceeding, would reveal. Further, Greenlining fears an additional workshop and Tier 2 Advice Letter process subsequent to this decision places barriers to participation on San Joaquin Valley residents and their advocates dependent on intervenor compensation.¹⁵ If these activities are ineligible for intervenor compensation, Greenlining worries this additional process may effectively exclude the parties most impacted by this portion of the decision.

⁹ PD, p. 68.

¹⁰ Assem. Bill 2672 §§1-2 (2013-2014 Reg. Sess.).

¹¹ *Id.*; PD, pp. 62-67.

¹² PD, p. 12.

¹³ Greenlining Opening ACR Comments, pp. 4-5; ACR, pp. 46-47; PD, pp. 68-71.

¹⁴ PD, p. 71.

¹⁵ Rule 17.3 of CPUC Practice and Procedure, “A request for an award of compensation may be filed after the issuance of a decision that resolves an issue on which the intervenor believes it made a substantial contribution...”(emphasis added).

The Commission's admitted uncertainty surrounding potential bill impacts on pilot participants reveals the presence of an impermissible financial risk on participants. The Commission must require bill protections for all pilot participants.

3) The Commission Should Authorize Tenant Protections for All Pilot Projects.

Greenlining enthusiastically supports clearly defined tenant protections for each authorized pilot project.¹⁶ We agree with the Commission that, "A central objective of the pilot is ensuring that all households, including those occupied by tenants, experience bill savings as a result of the pilot and do not suffer negative unintended consequences. To accomplish this, it is reasonable to require the pilot administrators to obtain assurances from property owners that they will not significantly increase rents or evict tenants as a result of home improvements for at least five years following completion of pilot appliance installations."¹⁷ Greenlining continues to support the "SCE protocols" tenant protection "common element" proposed in the ACR.¹⁸ We find terms and conditions within an enrollment agreement an effective mitigation measure for potential displacement impacts of pilots.¹⁹

Greenlining requests the Commission authorize tenant protection requirements for all pilot projects. We appreciate the Commission's willingness to further explore methods for ensuring tenants benefit from pilot participation through a workshop and Tier 2 Advice Letter process.²⁰ However, we fear without express requirements on the subject, the final decision will not sufficiently protect tenants from rent increases and displacement. We similarly fear as argued above that San Joaquin Valley residents and their advocates may not be able to participate in this supplemental process following a decision without intervenor compensation. We also wonder what new information parties could present on this topic that is not already on record, detailed in the California Energy Commission's *Low-Income Barriers Study*, or in the Solar Multi-Family Affordable Housing ("SOMAH") handbook.²¹ We see value in piloting varied tenant protection

¹⁶ Greenlining Opening Comments on Updated Pilot Proposals, pp. 7-8; Greenlining Opening ACR Comments, p. 2; Greenlining ALJs' Ruling Response, p. 8; Greenlining Opening Comments on Utilities' Proposals, p.12.

¹⁷ PD, p. 76.

¹⁸ PD, p. 50.

¹⁹ Greenlining ALJs' Ruling Response, p. 8.

²⁰ PD, p. 76.

²¹ Low California Energy Commission, *Low-Income Barriers Study, Part A: Overcoming Barriers to Energy Efficiency and Renewables for Low-Income Customers and Small Business*

approaches in this proceeding. However, the Commission must ensure some minimum level of tenant protections across all pilots. We urge the Commission to require the “SCE” protocols put forth in the ACR.

4) The Commission Should Authorize Workforce Development, Training and Education for All Pilot Projects.

Greenlining supports requiring specific workforce development, training and education strategies for all pilots.²² Consistent with the Commission’s *Draft EJSJ Action Plan* and the *Low-Income Barriers Study*, we find “developing local workforce participation in clean energy programs is integral to enabling the full range of benefits [of these clean energy programs] for low-income customers.”²³ We agree with the Commission that workforce development strategies will “provide a direct benefit to the local communities and help us consider a local hire approach in Phase III of this proceeding.”²⁴ We request the Commission offer further guidance for IOU Pilot Administrators and Third-Party PA/PI on implementing PG&E and the CEP Team proposed workforce development strategies.²⁵ We support the spirit of the Commission’s recommendation, but encourage the Commission to offer more specificity. If the Commission offers more directed guidance to Administrators and Implementers, they will then improve the implementation, tracking and evaluation of workforce development strategies in Phase III.

5) The Commission Should Select a Third-Party Pilot Administrator/Pilot Implementer and CEN Program Manager

We agree with the Commission that approving multiple PAs will produce “valuable lessons.”²⁶ As parties and San Joaquin Valley residents communicated throughout this proceeding, the identity and reputation of pilot’s Administrator/Implementer significantly impacts their potential projects.²⁷ We disagree with the Commission that pilot projects, their

Contracting Opportunities in Disadvantaged Communities, (Dec. 2016), http://www.energy.ca.gov/sb350/barriers_report/ (last accessed Nov 29, 2018), pp. 30-34; SOMAH Program Handbook, (Oct. 1, 2018) https://docs.wixstatic.com/ugd/e3dd69_1302621548954c3495c944be5a666231.pdf (last accessed Nov 29, 2018), pp. 29, 43,53, 131-132.

²² Greenlining Opening Comments on Updated Pilot Proposals, p. 7.

²³ CPUC, *Draft EJSJ Action Plan*, p. 7 (Goal 7) CEC, *Low-Income Barriers Study*, p. 4.

²⁴ PD, p. 89.

²⁵ *Id.*

²⁶ PD, p. 51.

²⁷ Greenlining Case Management Statement, p. 2.

participants and non-participating ratepayers will somehow benefit from an additional Request for Proposal (“RFP”) process to select the third-party PA/PI and CPM. The Commission offers no explicit justification for this elective additional cost.²⁸

We agree instead with the Pilot Team on the extreme importance of “community selection of administrators.”²⁹ San Joaquin Valley residents commented on their PA/PI preferences throughout Community Energy Option Workshops, Residential Recommendations filings pursuant to the ACR and the Public Participation Hearings. The Commission directed GRID Alternatives, Proteus Inc. and Tesla (“CEP Team”) to present their pilot projects to specific pilot communities throughout the prior year of meaningful community engagement. The CEP Team solicited and incorporated San Joaquin Valley residents’ feedback into their pilot proposals. The CEP Team built valuable relationships and trust with San Joaquin Valley residents through this process. Following this engagement, many residents voted for the CEP Team to serve as their administrator.³⁰ Adding an additional RFP process uniquely for the CEP Team pilot proposals after this engagement risks corroding trust with pilot participants and unnecessary delay. Justice delayed is justice denied. As San Joaquin Valley residents stated throughout this proceeding, they have already been waiting to enjoy the same energy services as other Californians for decades. The administrative and technical nature of an RFP process also places unwarranted barriers for San Joaquin Valley resident participation. Greenlining worries this RFP process will effectively silence pilot communities and eliminate their ability to influence PA/PI selection. Greenlining similarly supports the Commission’s appointment of the Pilot Team as the CPM.³¹

In the alternative, should the Commission require RFPs for third-party PA/PI and CPM selection, the Commission should require all selections possess an extensive record of successfully serving San Joaquin Valley communities.³²

²⁸ PD, pp. 49-53.

²⁹ Pilot Team Opening ACR Comments, pp. 16-17.

³⁰ Pilot Team Filing of Residential Recommendations Pursuant to the Assigned Commissioner’s Ruling: Allensworth and Seville.

³¹ Greenlining Reply ACR Comments, p. 2; Pilot Team Opening ACR Comments, p. 20.

³² PD, p. 51 (consistent with listed factor 1.).

6) The Commission Should Authorize Storage Features

Greenlining supports the ACR’s focus on storage to meet “reliability and resiliency needs in the pilot communities.”³³ San Joaquin Valley residents expressed concern about electric reliability.³⁴ We agree with the ACR that both residential and community storage are “...particularly important in communities where residents expressed particular concern about a high frequency of electric power outages. Such concerns may impact customers views and choices around electrification. Providing for storage in some of the pilot communities will allow us to explore the in-home option’s effectiveness in providing backup power during outages. It will also provide information on how residents view this option as opposed to the community storage option. Storage will also provide educational benefits and insights into residents’ preferences for and experiences with this emerging technology, especially in terms of how it affects their experience and preferences regarding electrification.”³⁵ Greenlining is not persuaded that the ACR’s storage proposal cannot meet the existing or evolving goals of the SGIP program. Adding a storage feature to an electrification pilot proposal supports participants transitioning from propane or wood-burning to cleaner energy services because it improves the project’s reliability. In the absence of reliability, participants may be unwilling to enroll in an electrification fuel-switching proposal or the projects may fail. Storage is thus a vital ingredient for switching pilot community residents off propane and wood-burning thereby decreasing greenhouse gas emissions. Greenlining finds great value in piloting residential and community storage features in AB 2672 pilot projects. Greenlining requests the Commission authorize storage features for pilot projects.

7) Conclusion

Greenlining thanks the Commission for the opportunity to provide comments on their proposed decision. We encourage the Commission to adopt the decision with stated modifications. We look forward to supporting the implementation of pilot projects and the delivery of their corresponding benefits to San Joaquin Valley residents.

³³ PD, p. 101.

³⁴ ACR, p. 26 (quoting Cal PA, “Responses to ALJ Ruling Questions,” September 10, 2018, Appendix E.).

³⁵ ACR, p. 41.

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RESPECTFULLY SUBMITTED,

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