



April 20, 2018

Matthew Nelson
Director of Government Affairs
Electrify America

RE: Comments on Electrify America’s Cycle 2 California ZEV Investment Plan

The undersigned organizations greatly appreciate the opportunity to provide input on Electrify America’s (“EA”) forthcoming Cycle 2 California ZEV Investment Plan (“Investment Plan”), which will start in July 2019 and end in December 2021.

These comments provide background regarding social equity efforts related to Cycle 1; context for why social equity must be prioritized in Cycle 1 and 2; highlight the state policy context that has created a value set in prioritizing and maximizing equity outcomes in transportation electrification and clean energy investments and policies; and provide recommendations.

Aligning with California’s social equity efforts will ensure EA’s investments are leveraged in a way that maximizes societal good.

I. Background

Many of the undersigned organizations have been engaging with EA through Wayne Killen and Matt Nelson and their team since last year’s Cycle 1 plan and appreciate their continued openness and collaboration.

Last year, ten groups representing environmental, environmental justice, equity, and Central Valley air quality interests outlined serious social equity deficiencies in the Cycle 1 Investment Plan.¹ To address these concerns, we engaged with EA and the California Air Resources Board

¹ The Center for Energy Efficiency and Renewable Technologies, Valley Latino Environmental Advancement Project (LEAP), Central Valley Air Quality Coalition, Central California Asthma Collaborative, and Medical Advocates for Healthy Air, Communities for a Better Environment, Environment California, Coalition for Clean

(“CARB”) asking for supplemental information to address how the Cycle 1 plan would strive to invest 35 percent of funds in disadvantaged communities and provide additional information on how it can prioritize projects that demonstrate equitable economic outcomes (e.g. training and hiring low-income workers and procuring goods and services from minority-owned businesses). EA replied to this request by submitting supplemental information to its investment plan.²

While the supplemental information *did not address all deficiencies* we collectively outlined, we were encouraged by EA’s following commitments:³

1. Collaborate with EJ/Equity: “collaborating with and obtaining input from environmental justice, equity, and other community-based groups serving low-income residents to help inform future investment cycles.”⁴ Also, “committed to being an active participant in the ongoing efforts within California to identify market barriers and advise California on public policy solutions” to increase clean mobility access for low-income Californians.⁵
2. Prioritize Investment in Low-income and Disadvantaged Communities: EA “anticipates (but does not guarantee) that more than 35 percent of the ZEV Investments proposed in the Cycle 1 CA ZEV Investment Plan will be in census tracts that CARB specified as low-income or disadvantaged in April 2017. Electrify America anticipates that significant investment in these low-income and disadvantaged communities will occur across all four major investment categories, which include the High-speed Highway Charging Network, Community Charging, the Green City Initiative, and Education and Awareness programs.”⁶
3. Increase EV Awareness for Low-Income Communities: \$2-3 million “to seek partnerships with entities with particular access and credibility within California’s disadvantaged and low-income communities. Electrify America will explore through these partnerships a culturally appropriate awareness campaign (in a language other than English where appropriate) which could incorporate the activities recommended by CARB’s [SB 350] report”⁷
4. Improve Access to Used EVs: as a means to increase ZEV infrastructure for low- and moderate-income Californians by creating partnerships with vehicle manufacturers who sell EVs coming “off leases or with large independent retails of pre-owned vehicles.”⁸

Air, Natural Resources Defense Council, The Greenlining Institute; See, <https://www.arb.ca.gov/lists/com-attach/79-vwzevinvestplan-ws-BWZSNQd0VGVVDAIq.pdf>.

² https://www.arb.ca.gov/msprog/vw_info/vsi/vw-zevinvest/documents/california_zev_investment_plan_supplement_062917.pdf

³ NB: When referring to EVs in this letter we are including in our definition all zero emission vehicle types that use electric drive for propulsion whether they be BEVs powered by grid-electricity or FCEVs powered by hydrogen

⁴ https://www.arb.ca.gov/msprog/vw_info/vsi/vw-zevinvest/documents/california_zev_investment_plan_supplement_062917.pdf, at 7.

⁵ *Id.* at 19

⁶ *Id.* at 15-16.

⁷ *Id.* at 18.

⁸ *Id.*

5. Complement California EV Equity Programs: “such as CARB’s programs under the Charge Ahead California Initiative authorized in SB 1275 (De León)”⁹
6. Community Charging in Fresno Metro: adding Fresno Metro area as area of community charging investment.¹⁰
7. Promote Economic Equity: EA “is committed to ensuring that investment under its ZEV Investment Commitment reflects the rich and diverse characteristics of California and its people” by “ensure potential new suppliers and contractors are aware of RFP opportunities resulting from the ZEV Investment Commitment; to encourage greater participation by underrepresented groups including certified veteran-, women-, and minority-owned businesses; and to assist applicants in understanding how to participate in the RFP process.”¹¹

To foster a collaborative relationship with EA, a number of us supported the Cycle 1 plan and supplement.¹² The plan was approved and we, the undersigned organizations, appreciate EA’s commitment to engage with equity and environmental justice groups and welcome the invitation to collaborate.¹³

To further a working relationship and provide helpful guidance for Cycle 2, we would appreciate a detailed report on progress to date on the equity commitments listed above, as well as strategies and steps in place to implement these commitments over the remaining months of Cycle 1.

Strong public-private collaboration is key to achieving complex social/climate equity goals.¹⁴

II. Leveraging Transportation Electrification Investments is an Opportunity for Electrify America ZEV Investment Plan to Advance Social Justice

Since the founding of the United States of America, all levels of government have played a role in creating and maintaining social inequities within our economic, political, social, and cultural systems.¹⁵ Government carried out multiple acts of oppression, and passed and implemented a wide range of laws and policies, “including everything from who could vote, who could be a citizen, who could own property, who was property, where one could live, whose land was whose and more.”¹⁶

⁹ *Id.*

¹⁰ *Id.* at 17.

¹¹ https://www.arb.ca.gov/msprog/vw_info/vsi/vw-zevinvest/documents/california_zev_investment_plan_supplement_062917.pdf, at 15.

¹² <https://www.arb.ca.gov/lists/com-attach/52-vw-zevinvestsup-ws-WjkbZgNwVmcDWllx.pdf>

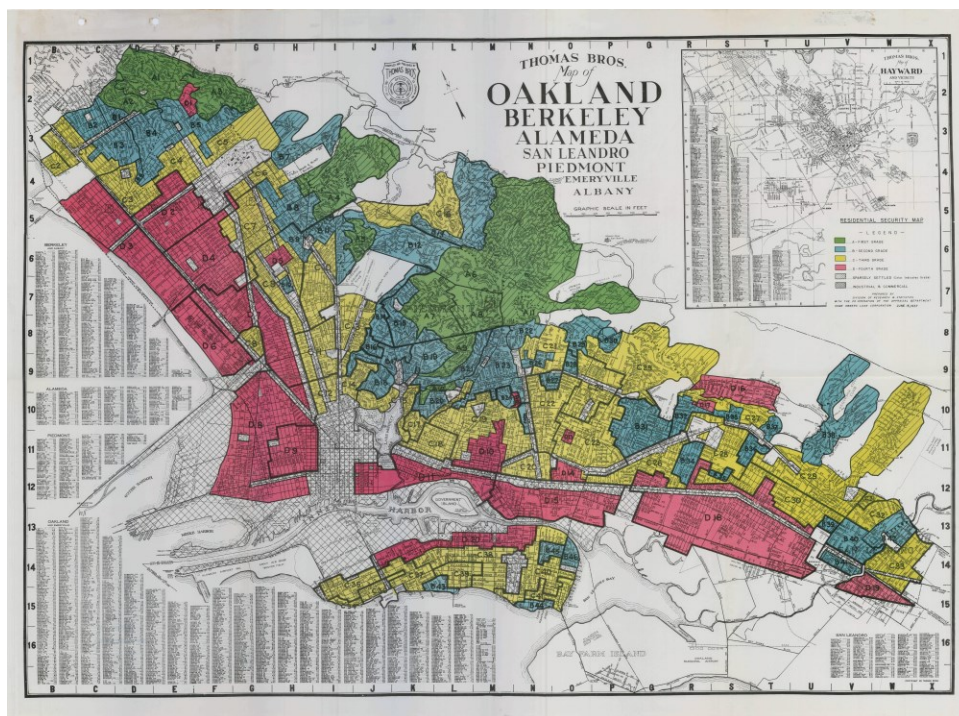
¹³ <http://greenlining.org/issues/2017/just-approved-vw-diesel-plan-step-forward-disadvantaged-communities-needed/>

¹⁴ [A new approach to solving cities' systemic problems](#)

¹⁵ *See*, http://racialequityalliance.org/wp-content/uploads/2015/10/GARE-Racial_Equity_Toolkit.pdf

¹⁶ *Id.*; *See also*, [The Atlantic Slave Trade](#); [Colonization of Native Americans](#).

An example of a government-backed racially discriminatory policy that created inequities still felt today is a 1930s home loan program coming out of the New Deal. The program was intended to stem the rise in foreclosures and created the Federal Housing Authority to back mortgages to help postwar families build wealth.¹⁷ To help carry out this program, “government surveyors interviewed local officials and bankers to document what local lenders considered credit risks in different neighborhoods.”¹⁸ The surveyors looked at a number of factors like access to transportation and quality of housing, but the “primary driver of the grading system was the racial and ethnic makeup of the neighborhood’s residents.”¹⁹ As a result, surveyors created maps and graded neighborhoods using a color-code: green areas for “best,” blue for “still desirable,” yellow for “definitely declining” and red for “hazardous.”²⁰ The “redlined” areas were deemed credit risks because of the influx or presence of racial and ethnic minorities. It was common to see things like “infiltration of Negroes and Orientals” listed as “detrimental influences” in descriptions of redlined areas.²¹ Since these maps were created, the term “redlining” is used to describe discrimination in housing, lending, and access to services and opportunity. Below is an example of a redlining map:²²



Source: [How Government Redlining Maps Encouraged Segregation in California Cities](#)

¹⁷ See, Tanvi Misra, “[A Digital Window in the Roots of Redlining](#)”;

¹⁸ See, [How 1930s discrimination shaped inequality in today's cities](#)

¹⁹ *Id.*

²⁰ [Redlining was banned 50 years ago. It’s still hurting minorities today](#)

²¹ See, [T-RACES](#)

²² See, [T-RACES](#) for examples of “redline” descriptions.

The result of this long historical record of explicit and implicit policies and practices is the creation of structural inequities in our society along race and ethnicity lines. This has manifested in well-documented racial and ethnic disparities in common quality of life indicators like education, economic stability, distribution of transportation burdens and benefits, and others.²³

For example, greater exposure to transportation pollution in communities of color is tied to decades of segregation and structural racism in land-use decisions and government policy, which has resulted in low-income communities of color living near busy roads, freeways, ports, and other freight corridors at higher rates than wealthier communities and whites. Approximately 90 percent of people living in the poorest, most polluted “Disadvantaged Communities,” as defined by the California Environmental Protection Agency, are people of color.²⁴ This disproportionate exposure leads to higher rates of asthma, cancer, and other pollution-related illnesses, increased health costs and more missed school and work days for people of color.²⁵

Moreover, people of color have traditionally lacked the financial well-being that would enable them to afford to live in less polluted neighborhoods or enable them to pay for healthcare to manage the negative health impacts of prolonged exposure to pollution. For instance, between 1980 and 2014, the share of working poor white Californians remained steady just below 4 percent.²⁶ During that same period, the share of working poor among people of color grew from 11.2 percent to 13.6 percent.²⁷ As stated by PolicyLink, “[a]s the low-wage sector has grown, the share of adults who are working full-time job but still cannot make ends meet has increased, particularly among Latinos and other workers of color,” and thus, the “failure of even full-time work to pay family supporting wages dampens the potential of millions of workers and our nation as a whole.”²⁸

In sum, policies, programs, and investments are too often developed and implemented without thoughtful consideration of racial equity. When equity is not explicitly brought into operations and decision-making, racial inequities are likely to be reinforced and, in some instances, exacerbated.

To close racial gaps and create a fairer and more just society, we must prioritize and practice social equity in every sector of our economy, including EA’s Cycle 2 investment.

²³ See, [National Equity Atlas; Systemic Inequality: How America’s Structural Racism Helped Create the Black-White Wealth Gap](#); [Race Counts: Advancing Opportunities for All Californians](#).

²⁴ See, Union of Concerned Scientists and The Greenlining Institute, “[Delivering Opportunity: How Electric Buses and Trucks Can Create Jobs and Improve Public Health in California](#).”

²⁵ *Id.*

²⁶ See, PolicyLink, [National Equity Atlas: Indicators – Working Poor California](#)

²⁷ *Id.*

²⁸ *Id.*

III. California Goals, Programs, and Actions Ensuring Benefits to Disadvantaged and Low-Income Communities and Related Goals to Increase Transportation Electrification in Disadvantaged and Low-Income Communities Pursuant to Senate Bill 350 (De León, 2015) and Senate Bill 1275 (De León, 2014)

In recent months and years, various California policies, programs, and actions have set objectives and commitments targeting benefits to disadvantaged and low-income communities. Below is a *non-exhaustive list*:

1. [SB 535](#): Directed a portion of the revenue generated by AB 32 into disadvantaged communities to invest in the communities most impacted by the cumulative impacts of poverty and pollution.
2. [AB 1550](#): Updated SB 535 and requires at least 25% of cap-and-trade investments to be spent in disadvantaged communities with an additional 10% benefiting low-income communities and households, for a total of 35% going to disadvantaged and low-income communities.
3. [SB 1275](#): Known as the Charge Ahead California Initiative, this bill states that California must “increase access for disadvantaged, low-income, and moderate-income communities and consumers to zero-emission and near-zero-emission vehicles, and to increase the placement of those vehicles in those communities and with those consumers to enhance the air quality, lower greenhouse gases, and promote overall benefits for those communities and consumers.” As directed by this bill, the California Air Resources Board has created EV equity programs and has invested \$218 million to date with \$100 million proposed for these types of programs for fiscal year 2018-19.²⁹
4. [AB 197](#): Requires CARB to protect the state's most impacted and disadvantaged communities and to consider the social costs of the emissions of greenhouse gases when developing climate change programs.
5. [AB 523](#): Requires the California Energy Commission to spend at least 25% of the Electric Program Investment Charge fund for technology demonstration and deployment at sites located in, and benefiting, disadvantaged communities, and additional 10% to fund projects located in and benefiting low-income communities, for a total of 35% going to disadvantaged and low-income communities.
6. [California Public Utilities Commission Energy Storage Equity Program](#): Directs 25% of funds for distributed energy storage to low-income households and environmentally burdened communities throughout the state.
7. [SB 92](#): Requires that the Air Resources Board strive to ensure at least 35% of funds from VW's ZEV Investment plan benefits low-income and disadvantaged communities. In fact, [VW anticipates exceeding](#) the 35% minimum investment in low-income and disadvantaged communities across all its investment categories.

²⁹ See, [CARB FY 17-18 Low Carbon Transportation Funding Plan](#).

8. [Volkswagen Environmental Mitigation Trust](#): Will direct 50% of the \$423 million fund into low-income and disadvantaged communities, if CARB’s [proposed spending recommendation](#) is approved.
9. [SB 350 Transportation Electrification Equity Provisions](#): Finds and declares that “[w]idespread transportation electrification requires increased access for disadvantaged communities, low- and moderate-income communities, and other consumers of zero-emission and near-zero-emission vehicles, and increased use of those vehicles in those communities and by other consumers to enhance air quality, lower greenhouse gases emissions, and promote overall benefits to those communities and other consumers. SB 350 also requires that the CPUC direct the utilities under its jurisdiction to file applications “to accelerate widespread transportation electrification to reduce dependence on petroleum, meet air quality standards, achieve the goals set forth in the *Charge Ahead California Initiative* . . . , and reduce emissions of greenhouse gases to 40 percent below 1990 levels by 2030 and to 80 percent below 1990 levels by 2050” (emphasis added).³⁰
10. [SB 350 Low-Income Barriers Study, Overcoming Barriers to Clean Transportation Access for Low-Income Residents](#): SB 350 also declared that there is insufficient understanding of the barriers for low-income customers to clean transportation. The bill therefore required CARB to complete and publish a study on those barriers. CARB just finalized the study’s guidance document, which outlines various barriers and actions to ensure clean transportation investments are benefitting low-income and disadvantaged communities.
11. [SB 350 Low-Income Barriers Study, Overcoming Barriers to Energy Efficiency and Renewables for Low-Income Customers and Small Business Contracting Opportunities in Disadvantaged Communities](#): SB 350 required that the CEC also complete and publish a study on low-income barriers.
12. [SB 350 Multi-Agency Task Force](#): The Governor’s Office convened a task force to facilitate multi-agency coordination to ensure the implementation of both CARB and CEC barriers reports recommendations. The task force includes the following agencies, among others: California Public Utilities Commission, California Transportation Commission, California Department of Transportation, California State Transportation Agency, the California Department of Public Health, California Environmental Protection Agency, Governor’s Office of Planning and Research, California Strategic Growth Council, and the Governor’s Office of Business and Economic Development.³¹
13. [Disadvantaged Communities Advisory Group](#): Consists of representatives of disadvantaged communities who will provide advice to the CEC and CPUC on programs proposed to achieve clean energy and pollution reduction. SB 350 required the creation of this advisory group.

³⁰ *Id.*

³¹ See, <https://www.arb.ca.gov/msprog/transoptions/050817roundtable/presentation.pdf>.

14. [SB 350 TE Priority Review Projects](#): The CPUC approved 15 proposals to expand electric vehicle access and charging infrastructure submitted last year by Pacific Gas and Electric, Southern California Edison, and San Diego Gas and Electric under SB 350. The projects, considered under “expedited review,” were revised to increase EV access in low-income communities and will support more than 5,300 new charging points overall.

For EA to help remedy the harm caused by VW, establish good will with key California stakeholders and constituencies and help fight inequities, the Cycle 2 investment plan should seek to fill some of the known gaps in implementation of these programs to align and enhance these efforts. Doing so would position EA as an industry leader and help build its brand support.

IV. Recommendations: Assess Cycle 1 Performance and Build Off of It

We recommend Cycle 2 investments build off Cycle 1. This requires an assessment of EA’s performance on Cycle 1 equity commitments by identifying what is working well and where there are opportunities for growth, especially in rural and un-incorporated parts of Fresno County and San Joaquin and Coachella Valley. Nonetheless, adhering to the following guiding principles in Cycle 2 will ensure EA is progressing as an industry partner on social and climate equity:

- Prioritize investment in low-income and disadvantaged communities
- Ensure, direct, assured, targeted benefits for low-income and disadvantaged communities
- Maximize societal good by promoting economic equity
- Promote community engagement and power

Committing to these principles will ensure Cycle 2 investments maximize social equity outcomes and align with growing efforts listed above to maximize benefits and minimize burdens for low-income and disadvantaged communities.

1. Prioritize investment in low-income and disadvantaged communities.

EA should ensure the Cycle 2 Investment Plan prioritizes investments that will help EA to meet or exceed the state’s goals of having at least 25% of total spend be in disadvantaged communities (top 25% of highest scoring census tracts using CalEnviroScreen 3.0) and at least 10% of spend to benefit/target low income households (regardless of where in the state they reside).

Prioritization of disadvantaged communities requires strong investment in rural communities in the San Joaquin and Coachella Valley. Thus, rural communities must be strongly considered for transformative investments like the next Green City Initiative.

2. Ensure, direct, assured, targeted benefits for low-income and disadvantaged communities.

Increase access to electric mobility for all. EA should work to “increase access for disadvantaged, low-income, and moderate-income communities and consumers to zero-emission and near-zero-emission vehicles, and to increase the placement of those vehicles in those communities and with those consumers” as mandated in SB 1275 and SB 350.³²

Specifically, EA should make funds available for a mobility equity investment that will be implemented following the process established in the Greenlining Institute’s Mobility Equity Framework, which outlines a three-step process for elevating principles of community, equity, and sustainability: (1) determine the community’s mobility needs, (2) conduct a mobility equity analysis that evaluates factors such as affordability, accessibility and impacts of air pollution, and (3) place neediest communities at the center of final decision-making.³³ The framework urges use of a Participatory Budgeting process, a democratic form of decision-making that has gained support at the Metropolitan Transportation Commission in the Bay Area and at Caltrans.³⁴

Continue to complement California EV equity programs and continue to improve access to used EVs: EA should partner with EV equity administrators and fund ways to complement and enhance CARB’s programs under the Charge Ahead California Initiative authorized in SB 1275 (De León).³⁵

Specifically, EA should partner with statewide administrators of low-income EV financing assistance, One-Stop Shop, EFMP Plus-up (aka Clean Cars 4 all), and Clean Mobility Options.³⁶ EA should also engage with awardees of Transformative Climate Communities grants to determine if EA funds can be leveraged to help deliver projects.³⁷

³² Senate Bill 1275 (De León, 2014).

³³ See, [Mobility Equity Framework: How to Make Transportation Work for People; A Blueprint for More Equitable Transportation Planning; How to Decide, Fairly, Which Transportation Investments Are the Best Ones; Transportation Planning: people first, not cars](#)

³⁴ [Participatory Budgeting Fans Say State DOT’s Embrace Is “Revolutionary”](#)

³⁵ *Id.*

³⁶ <https://www.arb.ca.gov/msprog/aqip/solicitations.htm>

³⁷ http://sgc.ca.gov/programs/tcc/docs/20180129-TCCFY16-17_Awards.pdf

3. Maximize societal good by promoting economic equity.

Maximize workforce opportunities for those most in need. EA should prioritize projects that demonstrate how they will leverage, support, and/or create training programs (e.g. EVITP, IBEW, etc.) to recruit, train, and hire workers from disadvantaged communities and low-income households. One way to do this is to assign preference points to bidders/contractors that demonstrate workforce equity efforts (including but not limited to):³⁸

- Hiring of low-income workers and other individuals with barriers to employment (through targeted or local hiring policies, or others);
- Diverse workforce demographics;
- Partnerships with skills development programs (or its own training programs) targeted at low-income workers and people with barriers to employment, such as job training and pre-apprenticeship programs; especially those that provide support services to participants (e.g. child care, transportation assistance, financial stability, etc.); and/or
- Paying of prevailing wages; providing benefits for hires, partners, and dependents (medical and dental coverage, paid vacation and sick leave, retirement savings, transportation reimbursement, childcare assistance, paid training opportunities); predictable scheduling; and opportunities for advancement for entry-level workers

Maximize business opportunities for those most in need. EA should continue to “ensure potential new suppliers and contractors are aware of RFP opportunities resulting from the ZEV Investment Commitment; to encourage greater participation by underrepresented groups including certified veteran-, women-, and minority-owned businesses; and to assist applicants in understanding how to participate in the RFP process.”³⁹

We recommend increasing participation from minority- and women-owned businesses by giving preference points to bids/contracts that demonstrate agreements with contractors and subcontractors certified as minority- or women-owned businesses.⁴⁰

³⁸ See, [Public Sector Jobs: Opportunities for Advancing Racial Equity](#)

³⁹ https://www.arb.ca.gov/msprog/vw_info/vsi/vw-zevinvest/documents/california_zev_investment_plan_supplement_062917.pdf, at 15.

⁴⁰ See, [Contracting for Equity: Best Local Government Practices that Advance Racial Equity in Government Contracting and Procurement](#)

4. Promote community engagement and power.

Continue to Collaborate with and Proactively Engage EJ/Equity. EA should continue “collaborating with and obtaining input from environmental justice, equity, and other community-based groups serving low-income residents to help inform future investment cycles.”⁴¹

Specifically, we reinforce the recommendation to create a mobility equity investment using Greenlining’s Mobility Equity Framework. Following this process will ensure communities buy-in and have decision-making power to craft and pick what electric mobility investments make sense for them. Piloting this type of process with Cycle 2 funds will help stakeholders and communities test, learn, and refine a revolutionary transportation planning and decision-making process that can serve as a national model.

Increase EV awareness for low-income communities. EA should build off its \$2-3 million commitment “to seek partnerships with entities with particular access and credibility within California’s disadvantaged and low-income communities” and develop a “culturally appropriate awareness campaign (in a language other than English where appropriate) which could incorporate the activities recommended by CARB’s [SB 350] report”⁴²

Specifically, we reiterate the importance of anchoring community engagement and awareness in direct connections with community members and enhancing with paid multi-ethnic media. Paid media should not be the sole, primary strategy. Moreover, here is a *non-exhaustive* list of best practices that should be implemented and scaled up in Cycle 1 and 2:

- Partner with local, community-based/faith-based groups/leaders to organize events and conduct outreach/marketing (funding for them to help is necessary)
- Partner with local and state electeds to sponsor/host events, and with local utilities
- Commit to a “one-stop shop” mentality - bring in EV equity project administrators (like Valley CAN and others) where applicable, and bring in other community/low-income specific services e.g. health clinic services, immigration, low-income weatherization/solar, jobs application/resume help, etc.
- Target car-dependent communities

⁴¹ https://www.arb.ca.gov/msprog/vw_info/vsi/vw-zevinvest/documents/california_zev_investment_plan_supplement_062917.pdf, at 7.

⁴² *Id.* at 18.

V. Conclusion

The undersigned organizations thank EA for the opportunity to provide feedback. We respectfully request that EA incorporate these recommendations in its Cycle 2 Investment Plan and its implementation. Additionally, we can provide more detailed guidance with a better understanding of how Cycle 1 is performing on its equity commitments.

Incorporating these recommendations will ensure EA and its investments remedy harms, maximize societal good, promote social and economic justice, and align with California's growing climate and energy equity efforts.

Sincerely,

Joel Espino
The Greenlining Institute

Bahram Fazeli
Communities for a Better Environment

Kevin Hamilton
Central California Asthma Collaborative

Bill Magavern
Coalition for Clean Air

John Shears
The Center for Energy Efficiency and
Renewable Technologies

Dave Reichmuth
Union of Concerned Scientists

Rey León
Valley Latino Environmental Advancement
Project (LEAP)

Tom Knox
Valley Clean Air Now (CAN)

Max Baumhefner
Natural Resources Defense Council

Kathryn Phillips
Sierra Club California

Abigail Ramirez
Leadership Counsel for Justice and
Accountability

Ben Russak
Liberty Hill Foundation