

**Disadvantaged Communities Advisory Group  
2018 Annual Report**

**February 22, 2019**

## **Disadvantaged Communities Advisory Group Purpose**

The purpose of the [Disadvantaged Communities] Advisory Group pursuant to Pub. Util. Code § 400(g), is to advise the California Public Utilities Commission (CPUC) and the California Energy Commission (Energy Commission) regarding the development, implementation, and impacts of proposed programs related to the Clean Energy and Pollution Reduction Act of 2015 (also known as Senate Bill 350) in disadvantaged communities.

The Advisory [G]roup will review and advise the CPUC and Energy Commission on proposed programs established in compliance with SB 350.

Specifically, the Advisory Group will provide advice on programs related to renewable energy, energy efficiency, transportation electrification, distributed generation and clean energy research and development programs and determine whether those proposed programs will be effective and useful in disadvantaged communities.

- *Disadvantaged Communities Advisory Group Charter*

**In Memory of Waudieur Rucker-Hughes**

## Table of Contents

Summary .....	4
2018 DACAG Members.....	4
2018 Priority Subject Areas .....	5
Mechanism to Comment on Existing and Emerging Programs .....	6
Comment Activity.....	6
Equity Framework .....	7
Overview .....	7
Disadvantaged Communities Advisory Group Equity Framework .....	7
Definition of Disadvantaged Communities.....	7
Framework .....	8
Workgroup Reports.....	9
CPUC Draft Environmental and Social Justice Action Plan Workgroup Report .....	9
High Level Recommendations .....	10
AB 617 Workgroup Report .....	11
Energy Equity Indicators Workgroup Report.....	11
Conclusion .....	11
Appendices.....	12

## Summary

In early 2018, the California Public Utilities Commission (CPUC) and the California Energy Commission (CEC) jointly approved members of a new advisory group consisting of representatives of disadvantaged communities who will provide advice on state programs proposed to achieve clean energy and pollution reduction. The creation of the Disadvantaged Communities Advisory Group (DACAG) fulfills a requirement in Senate Bill 350, the Clean Energy and Pollution Reduction Act of 2015.

The DACAG was created to advise both the CEC and the CPUC on how programs can effectively reach and benefit communities disproportionately burdened by pollution and socio-economic challenges, including rural and tribal communities.

The DACAG will provide advice on programs related to renewable energy, energy efficiency, transportation electrification, distributed generation, and clean energy research and development, and determine whether those proposed programs will be effective and useful in disadvantaged communities.

The DACAG members represent the diverse nature of disadvantaged communities throughout the state, reflecting the different rural and urban, cultural and ethnic, and geographic regions.

## 2018 DACAG Members

- Stephanie Chen, Energy and Telecommunications Policy Director at the Greenlining Institute
- Kevin Day, Tribal Chairman of the Tuolumne Me-Wuk Tribal Council (served until November 2018)
- Jana Ganion, Sustainability and Government Affairs Director, Blue Lake Rancheria Tribe (appointed November 2018)
- Stan Greschner, Chief Policy and Business Development Officer at GRID Alternatives
- Angela Islas, Policy Advocate at Central California Asthma Collaborative
- Roger Lin, Supervising Attorney at the UC Berkeley Environmental Law Clinic
- Adriano Martinez, Staff Attorney at Earthjustice
- Jodi Pincus, Executive Director at the Rising Sun Center for Opportunity
- Andres Ramirez, Clean Energy Director at Pacoima Beautiful
- Waudieur Rucker-Hughes, President of the National Association for the Advancement of Colored People (NAACP), Riverside Branch (Note: Ms. Rucker-Hughes passed away on July 13, 2018. This membership position will be filled according to processes outlined in the DACAG charter.)
- Phoebe Seaton, Co-Director and Attorney at the Leadership Counsel for Justice and Accountability
- Tyrone Roderick Williams, Director of Development at Sacramento Housing and Redevelopment Agency and Director of the Sacramento Promise Zone.

At the April 4, 2018 DACAG meeting, the DACAG elected Tyrone Roderick Williams as Chair, Stan Greschner as Vice-Chair, and Phoebe Seaton as Secretary.

The DACAG charter states that the DACAG may hold meetings on key issues related to the design and implementation of clean energy programs, with respect to potential benefits and impacts in disadvantaged communities.<sup>1</sup> The charter also requires that the DACAG submit an annual report listing the SB 350 programs the DACAG has reviewed and its written feedback to the CPUC and CEC on the effectiveness and usefulness of those programs on disadvantaged communities. The DACAG will also report summaries of its meetings and may choose to provide written recommendations or advice to the CPUC and CEC in addition to its annual report.

## 2018 Priority Subject Areas

In its 2018 meetings, the DACAG established the following priority subject areas:

1. Incorporate Equity Framework into Energy Equity Indicators
2. Incorporate Equity Framework into the Environmental and Social Justice Action Plan
3. Review CPUC and CEC programs and determine how to review, engage, and comment on them.

The DACAG identified the following programs:

- Electric Program Investment Charge (EPIC) program, with a focus on the allocation of funds pursuant to AB 523 (EPIC allocation)<sup>2</sup>
- Energy Storage
- Net Metering in Disadvantaged Communities
- San Joaquin Valley Affordable Energy proceeding
- Climate Adaptation proceeding

In its 2018 meetings the DACAG took the following actions:

- Identified the Energy Equity Indicators ([https://www.energy.ca.gov/sb350/barriers\\_report/equity-indicators.html](https://www.energy.ca.gov/sb350/barriers_report/equity-indicators.html)) as a critical tool and defined further development of the indicators among the DACAG's priorities.
- Crafted and adopted for its use, an Equity Framework, included below. Importantly, the Equity Framework includes a "Definition of Disadvantaged Communities" which is appropriately inclusive. The major components of this definition were included in the CPUC's Draft Environmental and Social Justice Action Plan.<sup>3</sup>
- Provided proposed changes to the CPUC's Draft Environmental and Social Justice Action Plan (ESJ Action Plan).
- Drafted recommendations for the CEC and CPUC to aid in the implementation of AB 617,

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<sup>1</sup>

[http://www.cpuc.ca.gov/uploadedFiles/CPUCWebsite/Content/UtilitiesIndustries/Energy/EnergyPrograms/Infrastructure/DC/20171214\\_CPUC%20Reso%20and%20charter.pdf](http://www.cpuc.ca.gov/uploadedFiles/CPUCWebsite/Content/UtilitiesIndustries/Energy/EnergyPrograms/Infrastructure/DC/20171214_CPUC%20Reso%20and%20charter.pdf).

<sup>2</sup> Assembly Bill 523 (2017) requires that at least 25 percent of EPIC Technology Deployment and Demonstration (TD&D) funds are spent on projects located in and benefit disadvantaged communities; and requires that at least 10 percent of (TD&D) funds are spent on projects located in and benefit low-income communities.

<sup>3</sup> <http://www.cpuc.ca.gov/discom/>

(Non-vehicular air pollution: criteria air pollutants and toxic air contaminants).

- Provided a letter with recommendations regarding the CPUC proceeding R.15-03-010, examining affordable energy options in San Joaquin Valley communities.

### Mechanism to Comment on Existing and Emerging Programs

At the September 28, 2018 DACAG meeting, the DACAG identified three priority areas, including “review existing and emerging programs and proceedings and determine how to review, engage, and comment on issues.” The DACAG subsequently requested CEC and CPUC legal staff recommendations on how to do so in active, pending, or contemplated proceedings. CPUC and CEC staff recommended the following mechanism:

- A DACAG member may raise any proceeding or program for the full DACAG to consider commenting upon.
- The DACAG member must then request that this item be placed on the agenda for subsequent deliberation, and if applicable, action by the full DACAG subject to Bagley-Keene Open Meetings Act requirements.
- If the DACAG member proposes a written comment, the written comment should also be placed on a subsequent meeting agenda, subject to Bagley-Keene requirements.
- At the subsequent meeting to deliberate submission of a comment, the DACAG may edit the proposed comment in “real-time,” and subject it to public comment.

At the October 30, 2018 DACAG meeting, the DACAG clarified with CPUC staff that this mechanism is appropriate. Further, the DACAG confirmed that there was no need for the DACAG to formally join an active proceeding as a party, and could send (via email) its comments to the presiding Administrative Law Judge(s) and Assigned Commissioner(s) through the CPUC Public Advisor’s Office for CPUC proceedings.

At the November 30, 2018 meeting, the DACAG identified the need to report on its established mechanism to comment on existing proceedings or programs at the CEC and CPUC. The following details the adopted mechanism and the DACAG’s first effort to follow such procedure.

### Comment Activity

At the November 30, 2018 DACAG meeting, the DACAG deliberated whether to comment on the CPUC’s open proceeding, Rulemaking 15-03-010, “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.”

At the same meeting, the DACAG provided real-time edits to proposed comments (see Appendix 2), which the DACAG voted to submit into the record of proceedings.

The same day, the DACAG transmitted this comment to the presiding Administrative Law Judge and Assigned Commissioner for Rulemaking 15-03-010. The Administrative Law Judge requested that the DACAG also serve the comment from the DACAG on all parties to the proceeding, which they did.

## Equity Framework

### Overview

The purpose of the DACAG pursuant to Pub. Util. Code § 400(g), is to advise the CPUC and the CEC regarding the development, implementation, and impacts of proposed and existing programs related to the Clean Energy and Pollution Reduction Act of 2015 (also known as Senate Bill 350) in disadvantaged communities.

The DACAG adopted an Equity Framework on September 28, 2018, which will guide the activities and advocacy of the DACAG to the Commissions and other state agencies.

The DACAG will work with the Commissions, and other the State agencies as appropriate, to ensure the Equity Framework is applied across all climate related policies, bills, proceedings, requests for proposals, and programs to ensure that equity is front and center when considering any climate investment/intervention in the State.

[Note: the Equity Framework document was included as Appendix D of the CPUC's Draft Environmental and Social Justice Action Plan. It has been edited slightly for inclusion in this report.]

### Disadvantaged Communities Advisory Group Equity Framework

The impact of climate change on low-income and disadvantaged communities can exacerbate existing inequities but can also be an opportunity to level the playing field through intentional interventions that address climate impacts on these communities directly.

The DACAG would like the State to adopt an Equity Framework to work in conjunction with the Guiding Principles of the Advisory Group set forth in the Charter of the Disadvantaged Communities Advisory Group. The Equity Framework can be applied across all climate related policies, bills, proceedings, requests for proposals, etc. to ensure that equity is front and center when considering any climate investment/intervention in the State.

This Equity Framework is intended to guide the DACAG as it moves forward in discussing and commenting on various proceedings and programs before the CPUC and CEC ensuring that access and adequate resources reach the implementation stage and benefit communities in a meaningful and measurable way.

### Definition of Disadvantaged Communities

As defined in the Equity Framework, the DACAG will adopt as the definition and advocate for equitable programming to reach all of the following communities (including community residents, workers, and businesses):

- CalEnviroScreen, as defined by the California Environmental Protection Agency,
- Tribal Lands,
- Census tracts with area median household income/state median income, less than 80%, and
- Households with median household income less than 80% of Area Median Income (AMI).

## Framework

### 1. Health & Safety

Energy policies and programs should be observed through the lens of public health to identify impacts and utilize findings to optimize the health and well-being of California's most vulnerable communities, as well as advance health interventions related to climate change by educating Disadvantaged Communities about disproportionate health impacts related to climate change and providing ways to value health benefits and impacts, build resiliency, mitigate climate related illnesses, injury and deaths and reduce climate related healthcare costs.

### 2. Access & Education

Access and Education are key to ensuring that Disadvantaged Communities benefit from clean energy technologies, energy efficiency, and other environmental investments by 1) focusing on special outreach efforts, 2) ensuring that these interventions are applicable and that the communities' interests and needs are represented, and 3) communities receive culturally relevant and sensitive education to prepare for climate resilience. The Advisory Group strives to remove barriers to participation, as identified in the SB 350 Barriers Report<sup>4</sup> and other barriers, through means such as training, funding and support for community based organizations and educational institutions rooted in disadvantaged communities, ensuring community based businesses are competitive in solicitations, adequate information is disseminated regarding careers and education, and tracking and evaluating progress of such efforts is necessary for these interventions to be successful.

### 3. Financial Benefits

All investments in clean energy technologies, energy efficiency, and other environmental investments, should benefit all disadvantaged communities directly providing financial benefits, incentives, and cost savings while also considering affordability and rate impacts.

### 4. Economic Development

Climate policies and programs should invest in a clean energy workforce by ensuring California has a trained and ready workforce prepared to improve our infrastructure and built environment as well as bring green technologies to market by: 1) promoting and funding workforce development pathways to high-quality careers in the construction and clean energy industries, including pre-apprenticeship and other training programs, 2) setting and tracking hiring targets for low-income, disadvantaged, and underrepresented populations (including women, re-entry, etc.) to enter these industries, 3) ensuring that these careers are high-road, with a career-ladder, family-sustaining wages and with benefits, 4) training the next generation of climate leaders and workers for the clean energy economy, and 5) supporting small and diverse business development and contracting.

### 5. Consumer Protection

Climate related policies and programs should not create incentives for predatory lending or exploitation of communities for financial gain. Programs should have adequate consumer protection measures,

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<sup>4</sup> [https://www.energy.ca.gov/sb350/barriers\\_report/](https://www.energy.ca.gov/sb350/barriers_report/)

disclosures, and accountability measures to ensure that financially vulnerable customers are not taken advantage of or otherwise compromised.

## Workgroup Reports<sup>5</sup>

### CPUC Draft Environmental and Social Justice Action Plan Workgroup Report

The Environmental and Social Justice Action Plan (ESJ Action Plan) Workgroup consisted of Jodi Pincus, Angela Islas, and Andres Ramirez. At the September 28, 2018 DACAG teleconference meeting, the Workgroup was tasked to work with the CPUC on the draft ESJ Action Plan, utilize and incorporate the DACAG's Equity Framework to edit and strengthen the ESJ Action Plan for future adoption.<sup>6</sup>

The Workgroup's first task was to review and incorporate the DACAG's Equity Framework to the Action Plan. Each workgroup member was tasked with reviewing and incorporating the Equity Framework into the draft ESJ Action Plan. The Workgroup presented their recommendations on the draft Action Plan at the October 30, 2018 in-person meeting.

At the October 30 in-person meeting, DACAG members provided additional edits, comments, and suggestions to improve the draft ESJ Action Plan's goals and objectives, as well as address if the DACAG's Equity Framework had been integrated into the plan effectively. The DACAG was given two weeks to provide feedback to the Workgroup. One week before the November 30, 2018 teleconference meeting, the Workgroup members revised their recommendations for the draft ESJ Action Plan to later have them submitted to the CPUC's Public Adviser and to the DACAG web pages for public review.<sup>7</sup> At the November 30, 2018 teleconference meeting, the Workgroup presented their recommended edits, comments, and suggestions to the DACAG, CPUC staff, and the CEC staff. In a 7-0 vote, the DACAG adopted the recommended edits, comments, and suggestions to the ESJ Action Plan, which were then forwarded to the CPUC.

Subsequently, on February 12, 2019, four members of the DACAG provided a comment letter to the CPUC highlighting three important points to strengthen in the draft ESJ Action Plan:

- 1) strengthening the definition of Disadvantaged Communities;
- 2) emphasizing health, which was identified as a non-energy benefit under the SB 350 Barriers Study; and
- 3) strengthening the workforce development goal in the Action Plan.

At its February 21, 2019 Voting Meeting, the CPUC adopted the Environmental and Social Justice Action Plan.

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<sup>5</sup> When needed, DACAG members formed informal working groups to independently work on issues for discussion in subsequent DACAG public meetings.

<sup>6</sup> Information related to development of the CPUC's Environmental and Social Action Plan, including comments submitted, are posted <http://www.cpuc.ca.gov/discom>.

<sup>7</sup> <http://www.cpuc.ca.gov/discom>; see "Public Written Comments 11/30/18 Disadvantaged Communities Advisory Group"

The Workgroup looks forward to following the implementation of the ESJ Action Plan, as well as providing advice throughout its implementation phase.

### High Level Recommendations

The Workgroup developed several recommendations to include in the ESJ Action Plan. Below are high level recommendations:

- Incorporate the DACAG Equity Framework into the ESJ Action Plan and incorporate identified changes and edits.
- Include the DACAG Equity Framework’s definition of Disadvantaged Communities as part of the section of the plan that defines ESJ Communities.
- Add new goals (indicated below) and incorporate suggested wording of the draft ESJ Action Plan’s goals (please see the redlined version of the DACAG’s comments on the draft ESJ Action Plan<sup>8</sup> for the suggested wording of each goal). Below are the recommended goals and language:
  - Goal 1: Use CPUC’s planning, permitting, and regulatory role to advance social and environmental justice goals
  - Goal 2: Increase investment in clean energy resources to benefit ESJ communities, especially to improve local air quality, address negative health impact, financial benefits, economic and workforce development, and consumer protection
  - Goal 3: Strive to improve access to high-quality water, communications, and transportation
  - Goal 4: Increase climate resiliency in low-income and disadvantaged communities
  - Goal 5: Increase economic benefit to and financial benefits to ESJ Communities (new)
  - Goal 6: Enhance outreach and public participation opportunities in order for ESJ communities to meaningfully participate in the CPUC’s decision-making process
  - Goal 7: Enhance enforcement to ensure safety and consumer protection for ESJ communities
  - Goal 8: Promote economic and workforce development opportunities in ESJ communities
  - Goal 9: Promote access and education ensuring that ESJ communities will benefit from and participate in CPUC programs and proceedings (new)
  - Goal 10: Improve training and staff development related to environmental and social justice issues within the CPUC’s jurisdiction

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• <sup>8</sup> <http://www.cpuc.ca.gov/discom>; see “Public Written Comments 11/30/18 Disadvantaged Communities Advisory Group”

- Goal 11: Monitor the CPUC’s environmental and social justice efforts to ensure that they are achieving their objectives services for ESJ communities

### AB 617 Workgroup Report

The Assembly Bill 617 Workgroup consisted of Adrian Martinez, Angela Islas, Roger Lin, and Phoebe Seaton. The AB 617 Workgroup convened to provide recommendations about how the CPUC and CEC can aid in the implementation of the first-year round of communities under AB 617. Based on a review of some of the issues faced by the initially defined communities in AB 617, the Workgroup put forth recommendations (see Appendix 3) on November 30, 2018 requesting staff of the CPUC and CEC provide a report back in six months on their collaborative efforts with the California Air Resources Board (CARB). The report back should come in the Spring of 2019. The Workgroup also recommended that this group engage with CPUC and CEC following the report back to ensure that the complementary goals of AB 617 (lead by CARB), CPUC, and CEC move forward to improve air quality in the most impacted areas by addressing various pollution sources that contribute to air quality concerns.

### Energy Equity Indicators Workgroup Report

The Energy Equity Indicators Workgroup consisted of Phoebe Seaton, Tyrone Roderick Williams, and Stan Greschner. The DACAG received a briefing during one of its initial meetings on the CEC's Energy Equity Indicators ([https://www.energy.ca.gov/sb350/barriers\\_report/equity-indicators.html](https://www.energy.ca.gov/sb350/barriers_report/equity-indicators.html)), a report and information-mapping tool developed by the CEC to identify opportunities and track progress toward advancing the recommendations in the SB 350 Low-Income Barriers Study. The DACAG identified the Energy Equity Indicators as a critical tool and prioritized further development of the indicators among the DACAG's priorities. The Workgroup was tasked with evaluating the Equity Indicators, by assess their utility in advancing the goals identified in the SB 350 Low-Income Barriers Study, and by evaluating the CEC's progress in furthering the indicators themselves.

The Workgroup met and determined that an initial step to refining the equity indicators would be to integrate the Equity Framework (discussed above) into the equity indicators to ensure consistency in language and comparability in goals across the CEC and CPUC efforts toward greater equity, environmental justice, and social justice. The Workgroup plans to work with the broader DACAG as well as CEC commissioners and staff in 2019 to refine the indicators and evaluate progress that the CEC is making toward both achieving the goals included in the equity indicators, and tracking that progress.

### Conclusion

The work of 2018 by the SB 350 DACAG was to become educated on the array of programs within the CEC and the CPUC, and build a foundation and structure for meaningful input and advice. The purview of the DACAG’s advice includes renewable energy, energy efficiency, transportation electrification, distributed generation, and clean energy research and development, and the DACAG delivered advice in many of these areas in 2018. The DACAG is called upon for analysis to help determine whether proposed programs will be effective and useful in disadvantaged communities, and/or how they may be modified to increase their efficacy. Through foundational concepts such as its Equity Framework, the DACAG has begun to engage the CEC and the CPUC in an inclusive dialogue at the nexus of justice, equity, climate action, and programmatic investment to effect benefit for disadvantaged communities across California. The DACAG looks forward to 2019 and seeing their recommendations and advice tangibly reflected in CEC and CPUC policies and programs.

# Appendices