January 10, 2020

To the California Public Utilities Commission,

The Disadvantaged Communities Advisory Group (DACAG) recognizes the progress made by the California Public Utilities Commission (Commission) on expanding access to energy storage, a technology that can deliver critical resiliency benefits, to disadvantaged and wildfire-vulnerable communities. Decision 19-09-027 established an Equity Resiliency Budget (ERB) within the Self-Generation Incentive Program (SGIP), providing accessible energy storage incentives to low-income and medically vulnerable customers, as well as critical facilities, in high fire threat districts. That Decision also raised the incentive level for the existing SGIP Equity Budget (EB), making energy storage more attainable for low-income customers statewide.

On December 11, 2019, the Commission issued a Proposed Decision (PD) covering funding levels for the SGIP program overall, per the direction of Senate Bill (SB) 700. In that PD, the Commission proposes to fund the ERB at 63 percent of the funds allocated for energy storage, and the residential EB at three percent of the funds allocated for energy storage. In recognition of the harm caused by widespread Public Safety Power Shutoffs (PSPS) events towards the end of 2019, the Commission also proposed to expand the geographic eligibility of the ERB to any customer that has been shut off twice in a PSPS event.

The DACAG applauds the Commission's leadership in centering equity in this important program to provide resiliency in the face of climate change impacts, and makes the following recommendations to ensure that resiliency benefits will remain accessible to everyone, now and in the future:

1) Fund the energy storage Equity programs to at least $100M per year through 2025

The PD would authorize a total of $107,445,492 per year for the ERB and residential EB combined, from 2020 to 2024.[1] The DACAG believes that this distribution of funds provides equitable access to energy storage in the years to come, and appropriately meets the growing risks caused by wildfires and PSPS events. The Commission should fund the Equity programs to at least $100M per year combined, as proposed, and should not allow other general market energy storage projects to access funds reserved for Equity.

2) Expand Equity Resiliency Budget access to customers shut off by PSPS events

The Equity Resiliency Budget allows for low-income and medically vulnerable customers living in Tier 2 or Tier 3 fire threat districts to access an incentive of $1.00/Wh for energy storage, and this PD would expand the geographic eligibility of the ERB to include any customer shut off twice by a PSPS.[2] The DACAG supports this recommendation, and encourages the Commission to expand eligibility to all customers impacted by PSPS events, *including customers shut off once*. In addition, the SGIP ERB should update this eligibility on a rolling basis, so that customers shut off in future PSPS events over the next

[1] PD, p.25
[2] PD, p.18

five years will become automatically eligible for the ERB after they are shut off. In other words, the 2019 fire season should not be the only time frame used to measure customer eligibility for the ERB. The DACAG notes that the PSPS events were especially harmful to low-income and medically vulnerable customers, jeopardizing their health, safety and comfort in numerous ways. Any low-income or medically vulnerable customer who experiences a PSPS, either now or in the future, should be able to access the highest incentive funding levels for energy storage.

3) The Equity Resilience Budget should include a residential carve-out

Currently, the SGIP EB includes a residential carve-out reserved for low-income customer access to energy storage incentives, but the ERB does not have a separate carve-out reserved for residential customers. In D.17-10-004 the Commission found it appropriate to reserve ten percent of EB funds for only residential customers because "without reserved incentives for the residential sector, projects in the public sector, non-profit and small business sectors could expend SGIP incentives before low-income residential sector has an opportunity to benefit from the Equity Budget."[3] The DACAG believes that the same concern exists for the ERB as the EB, and thus urges the Commission to set aside a residential carveout in the ERB that cannot be used for commercial energy storage projects.

4) Provide a well-funded Equity ME&O plan that includes the expertise of trusted and experienced organizations

In D. 19-09-027, the Commission recognized that the Equity programs within SGIP would not succeed without targeted, thoughtful marketing, education and outreach, and thus set aside ten percent of unused SGIP Program Administrator (PA) administrative funds to create a customized equity ME&O plan.[4] The DACAG strongly encourages that Commission to take action to further ensure healthy adoption of the SGIP Equity programs by earmarking a portion of the equity ME&O funds to trusted organizations with specific expertise in outreach to frontline communities.

The SGIP Equity programs allow automatic eligibility for customers participating in a plethora of low-income solar programs,[5] with the intention that customers would pair solar and storage on-site, enhancing the resilience potential of the installation. The Program Administrators of these low-income solar programs were selected, in part, because of their expertise and ability to conduct successful outreach to historically underserved communities that face myriad barriers to clean energy investments. The DACAG believes that the on-the-ground expertise of the low-income solar PAs, as well as community-based organizations (CBOs) and Community Choice Aggregators (CCAs) should be leveraged, and funded, to ensure robust and appropriate ME&O for the SGIP Equity programs. At this time, the DACAG recommends that 5 percent of unused SGIP PA administrative funds, or half the customized SGIP Equity ME&O plan, should be dedicated to these experienced third parties, with the majority of that funding earmarked for the low-income solar PAs to complement their existing statewide solar outreach.

5) Remove the SGIP application fee for residential customers in all Equity programs

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[3] D.17-10-004, p. 20

[4] D.19-09-027, p.56

[5] These programs are: Single Family Affordable Solar Homes (SASH, Disadvantaged Communities Single Family Solar Homes (DAC-SASH), Multifamily Affordable Solar Housing (MASH) and Solar on Multifamily Affordable Housing (SOMAH), D.19-09-027, p.56

Currently, all SGIP projects, regardless of technology or customer type, must submit an application fee of five percent of the incentive to the SGIP PAs. This application fee is then refunded upon verification of the installed SGIP-incented project.[6] While the application fee may serve to ensure that general market project applications are genuine, this fee remains a financial barrier to low-income residential customers. The DACAG corroborates the Senate Bill (SB) 350 Low-Income Barriers Study's finding that a primary barrier to low-income technology adoption is financial.[7] Low-income customers often cannot afford an up-front investment in a technology, even if they would eventually see a return or refund on that investment. In order to make the SGIP ERB and EB fully accessible to low-income customers, the Commission should remove the application fee for the residential projects applying for the EB and ERB. If this fee is not removed, the DACAG is concerned that residential customers wanting to participate in the EB and ERB will not be able to access the resilience benefits provided by energy storage.

The DACAG thanks the Commission for its consideration of our recommendations, and looks forward to working with our communities to enhance resilient solutions by leveraging the SGIP Equity programs.

Sincerely,

The Disadvantaged Communities Advisory Group

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[6] SGIP Handbook, p.57-58
[7] Low-Income Barriers Study, Part A, December 5, 2016. https://ww2.energy.ca.gov/sb350/barriers_report/