

February 12, 2019

To the California Public Utilities Commission,

As members of the Senate Bill 350 Disadvantaged Communities Advisory Group (“Advisory Group”), we offer the following three specific edits to the California Public Utilities Commission’s proposed Environmental and Social Justice (“ESJ”) Action Plan. On February 21, 2019, the Commission will consider adoption of the current draft ESJ Plan; we respectfully request that the Commission revise the draft to include our prior comments, and in particular, placing a greater emphasis on public health and workforce development, and broadening the method by which the Commission may provide greater and more comprehensive benefits to ESJ communities.

As a preliminary matter, we emphasize the role of the Advisory Group: to advise the Commission regarding the development, implementation, and impacts of proposed programs, specifically to increase access to clean technologies, ensure affordability of energy service, and increase the benefits of energy programs in disadvantaged communities. At our October 30 and November 30 2018 Advisory Group meetings, we discussed prior drafts of the ESJ Plan and formed a subcommittee to provide specific edits to the Plan. The Advisory Group has since provided those edits and discussed our concerns regarding the drafts of the ESJ Plan with Commission staff, including Advisors to Commissioners Guzman-Aceves and Rechtschaffen. We expressed concern that our recommendations were not included, and especially absent specific explanations for non-inclusion. We now offer three specific edits that we urge the Commission to adopt. It is imperative for the Commission to consider these additions as the ESJ Plan is updated every *two years*. Failing to incorporate these three changes may preclude deployment of resources and benefits in ESJ communities during that time.

Proposed Edit 1: Include an Adequate Definition of Disadvantaged Community

We are pleased that the ESJ plan identifies ESJ communities to include

- top 25% of communities identified through CalEnviroScreen, as defined by Cal EPA,
- all Tribal lands;
- Households with median household income less than 80% of Area Median Income (AMI); and
- Census tracts with area median household income/state median income, less than 80%.¹

However, the current draft of the ESJ Plan then continues:

Many of the CPUC’s programs use the CalEnviroScreen tool, developed by the Office of Environmental Health Hazard Assessment of the California Environmental Protection Agency, as a means of focusing

¹ This is the same criteria for “disadvantaged communities” that the Advisory Group adopted in its Equity Framework, included as Appendix D to the current draft ESJ Plan.

efforts and investment. CalEnviroScreen identifies “disadvantaged communities,” using such indicators as environmental, health, and socio-economic burdens. While the list of indicators is not exhaustive, CalEnviroScreen sets a robust foundation over which the CPUC may choose to consider layering additional criteria.

We request removal of this paragraph referencing CalEnviroScreen and specific incorporation of our definition for ESJ communities. There is no reason to identify specific populations that the Commission should seek to extend resources and benefits, but then to implement actions using a tool that does not include several of these ESJ communities, in particular, those residing on tribal lands.

Proposed Edit 2: Provide a Greater Emphasis on Public Health Protections

The current draft of the ESJ Plan includes Goal 2, to increase the investment in clean energy resources to benefit ESJ communities, especially to improve local air quality and public health in overburdened communities. We encourage the adoption of the Advisory Group’s Workgroup One original suggested language to be included in the goal. We recommend the following suggested edit:

Goal 2: Increase investment in clean energy resources to benefit ESJ communities, especially to improve local air quality, address negative health impacts, financial benefits, economic and workforce development, and consumer protection

The SB 350 Barriers Study finds that *public health* is a significant *non-energy benefit* that must be considered when deploying energy resources and considering cost-effectiveness and benefits of all CPUC energy programs. This can be done by incorporating non-energy benefits (for instance, increased comfort and improved health) as a measurement into program evaluations and cost-effectiveness test, placing energy efficiency and renewable upgrades in an appropriate interpretation, where infrastructure, environmental, and social benefits can be part of the calculus for both current and future energy policies. CPUC staff during the barriers study performed a series of public meetings within selected disadvantaged communities, in which the public “commonly listed family health as a stronger motivator for efficiency and weatherization upgrades than economic savings.” (p. 59) Recognizing public health and other non-energy benefits will not only help justify the costs of such energy programs, but also convey a clearer picture of the societal benefits from such investments of public funds.

The SB 350 Barriers Study provided the following recommendation for state agencies, which includes the CPUC, to address policy and program barriers through:

Establishing common definitions of non-energy benefits, developing standards to measure them, and attempting to determine consistent values for use in all energy programs.

We recommend that the CPUC energy programs *should* address health benefits and impacts, and other non-energy benefits, to more accurately demonstrate the success of these

programs. For example, the Asthma Impact Model program, serviced by the Central California Asthma Collaborative (“CCAC”), performs a multi-component health intervention that not only addresses basic asthma education, but also addresses a healthy homes component - evaluating ventilation, air flow, sealed windows and other factors for families to learn more how these non-energy factors can be a hazard if not adequately addressed. CCAC is not proficient in energy efficiency. But CCAC does see that any component of the home, non-energy or energy related, can be a cause of impact with these families simply trying to control their children’s asthma episodes.

Proposed Edit 3: Include Greater Emphasis on Workforce Development

The current draft of the ESJ Plan includes Goal 7, to promote economic and workforce development opportunities in ESJ communities. We encourage the adoption of the DACAG’s original suggest language to be included in the goal. Below is the recommendation for the suggested edit:

GOAL 7: The CPUC will 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 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.

The CPUC will seek to bring economic development opportunities to ESJ communities through continued support for the CPUC’s Supplier Diversity Procurement Program, General Order 156, including potentially extending participation to include businesses not directly regulated by the CPUC, and encouraging and incentivizing workforce development in ESJ communities. Promoting supplier diversity could lead to economic benefits in ESJ communities.

Workforce issues and standards are crucial to ensuring equity and there is precedent for the Commission including economic and workforce development as part of its work. We are not asking the Commission to create jobs, we are asking that they acknowledge that their rulings have a workforce impact. Rate payer dollars are used to create thousands of job and utilities are a huge employment sector and when rate payer dollars are used there needs to be assurance of quality work getting done. This means quality standards. We need quality training, and we need to incentivize employers to do the best work they can do and this means paying their employees a fair, livable wage with benefits. The CPUC should not incentivize a race to the bottom, rather a level playing field for contractors to succeed and for employees to be trained and fairly compensated for their work. These are a few examples of how workforce development objectives have been included in the Commission’s work:

- The Commission's own Long Term Energy Efficiency Strategic Plan (adopted in D.10-09-047), which includes objectives for increasing participation from

minority, low-income and disadvantaged communities in the State's energy efficiency workforce, p. 78: "Ensure that minority, low income and disadvantaged communities fully participate in training and education programs at all levels of the DSM and the energy efficiency industry." (1 of 2 goals) We need to make sure that the jobs we are training low-income people for do not keep them in poverty, but provide a pathway out of poverty and into the middle class.

- Workforce, Education, & Training (WE&T) in general - there is an entire chapter in the Commission's Long Term Energy Efficiency Strategic Plan about this.
- Decision Addressing Workforce Requirements and Third-Party Contract Terms & Conditions (part of A.17-01-013 and related to D.18-05-041) adopts prescriptive workforce standards for certain energy efficiency incentives, requires IOUs to track disadvantaged worker participation, requires program implementers/bidders to demonstrate how they'll provide access to career opportunities in their proposals.
- D.18-05-041, Conclusion of Law #6, p. 170 - requires utilities to take specific workforce-related actions to improve workforce outcomes. Same decision sets specific "workforce metrics and provisions for disadvantaged workers" (p. 155).
- SOMAH - requires contractors to hire job trainees; prioritized disadvantaged workers and local hire/targeted hire.

Maintaining and developing local hire practices is a Principal Recommendation of the SB 350 Barriers Study. The Barriers Study recommends that the Commission collaborate with "community colleges, and other agencies, as well as consult with employers ... and community-based organizations, to strategize and track progress of workforce, community, and clean energy goals." Specific recommendations include local workforce development through direct hiring and training in conjunction with community-based organizations or with organizations that run pre-apprentice or apprenticeship programs, and expanding the use of community workforce agreements.

Emphasizing equity for ESJ communities does not imply that other communities and ratepayers will be ignored or de-prioritized, "Equal rights for others doesn't mean fewer rights for all," it is rather a recognition that ESJ communities disproportionately experience the adverse impacts of climate change and pollution and must have adequate access to the resources and opportunities necessary for addressing these impacts.

Finally, we reiterate the urgency to include these edits to the current ESJ Plan in order to not hinder successful program development in ESJ communities over the next two years. Please contact us if you require any additional information.

Sincerely,

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Roger Lin
Jodi Pincus