



RISING SUN

CENTER FOR OPPORTUNITY

February 13, 2019

California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

**RE: Rising Sun Comments on the California Public Utilities Commission's (CPUC)
Environmental and Social Justice Action Plan – Version 1.0**

Dear Commissioners,

Rising Sun Center for Opportunity (f/k/a Rising Sun Energy Center) appreciates a second opportunity to submit comments on the CPUC's draft Environmental and Social Justice (ESJ) Action Plan. Rising Sun applauds the CPUC for its commitment to ESJ communities and for formalizing that commitment through a Plan of Action. We agree that the CPUC has an opportunity to take a leadership role on this issue, and "broad authority and the administrative discretion to shape programs and direct resources in a manner that furthers equity objectives".¹ We encourage the CPUC to weigh its policies and decisions through an equity lens, to use equity as the foundation of its mission to protect consumers and safeguard the environment, and to align incentives and resources accordingly. Our shared goal should be for all Californians to have equitable access to and equitable benefit from the ratepayer programs they help to fund.

The Commission has put on hold votes approving this plan and is scheduled to consider the item again at its voting meeting on Thursday, February 21, 2019. In these comments, we encourage the Commission to follow its own precedent and adopt a meaningful ESJ Action Plan, to reconsider our original recommendations and maintain the strong language included in the Plan, and to take this opportunity to lead on equity in California.

Commission Precedent

We understand the Commission's caution around taking on issues that may appear out of scope or outside its jurisdiction and authority. However, there is precedent for the Commission acting on environmental and social justice issues and equity, and even an imperative that it does so. The Clean Energy and Pollution Reductions Act of 2015 (SB 350) "calls upon the CPUC to help improve air quality and economic conditions in communities identified as 'disadvantaged'".² The SB 350 Disadvantaged Communities Advisory Group was created specifically with the purpose of assisting the CPUC and the CEC with understanding impacts on these communities.

¹ September 2018 Draft: *CPUC Environmental and Social Justice Action Plan*, p.11

² <http://www.cpuc.ca.gov/discom/>

The CPUC website lists³ its proceedings and programs targeting disadvantaged communities (or, environmental and social justice communities, more broadly defined). To that already considerable list we add the Affordability Proceeding (R.18-07-006) and the Climate Adaptation proceeding (R.18-04-019), wherein one of the five working group topics is "Vulnerable and Disadvantaged Communities", created to identify and prioritize actions to address needs of these communities related to climate change.⁴ These are just a few examples of how the Commission has already acknowledged the importance of prioritizing disadvantaged and ESJ communities, and therefore, should not shy away from doing so in a more comprehensive and coordinated manner via this Plan.

As a workforce development organization, Rising Sun is concerned that the Plan does not do enough to emphasize the importance of job quality, standards, and accessibility and its role in supporting equity in ESJ communities, particularly in this updated version. The Commission's vision is to "better the lives of all Californians", and workforce development plays a significant role in that. While we do not expect the Commission to create jobs, we do ask it to recognize that the private utilities it regulates are major employers and that, consequently, the Commission's rulings have a workforce impact. The Commission has ruled on workforce issues in the past and is guided by SB 350 and its own Long-Term Energy Efficiency Strategic Plan to do so – and to focus on and prioritize low-income and disadvantaged communities. Specifically, SB 350 includes "workforce development and job training for residents in disadvantaged communities, including veterans (and) at-risk youth".⁵ The Commission's Long Term Energy Efficiency Strategic Plan, adopted in D.10-09-047, devotes a full chapter to Workforce, Education, & Training, and includes objectives for increasing participation by disadvantaged communities in the State's energy efficiency workforce as one of two primary goals: "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."⁶

There is additional precedent for the Commission taking a stand and playing a leadership role on workforce issues for disadvantaged and ESJ communities. Its "Decision Addressing Workforce Requires 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, and requires program implementers/bidders to demonstrate how they'll provide access to career opportunities in their program proposals. D.18-05-041 requires utilities to take specific workforce-related actions to improve workforce outcomes⁷ and sets specific "workforce metrics and provisions for disadvantaged workers".⁸ In the Solar on Multifamily Affordable Housing (SOMAH) program

³<http://www.cpuc.ca.gov/uploadedFiles/CPUCWebsite/Content/UtilitiesIndustries/Energy/EnergyPrograms/Infrastructure/DC/DAC%20Proceedings%20Programs%20-%203-5-18rev.pdf>

⁴ R.18-04-019 OIR Scoping Memo, p.3

⁵ https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160SB350

⁶ *CA Energy Efficiency Strategic Plan: January 2011 Update*, Section 9, p. 73

⁷ D.18-05-041, Conclusion of Law #6, p. 170

⁸ *Ibid*, p.155

administered by the CPUC, contractors are required to hire job trainees on solar projects, prioritizing disadvantaged workers and local or targeted hires.

The risk of ignoring workforce in the ESJ Action plan is to create jobs that perpetuate inequity in ESJ communities, supporting jobs that keep people in poverty rather than bettering the lives of all Californians.

Comments re: Original Recommendations

- Foundationally, ESJ work must be about “us” and not about “them”. This is work we do together with communities, and not for communities. It must be community-driven and community-led. We appreciate the modifications made throughout the plan that acknowledge this fact and the fact that ESJ communities are already acutely aware of the impacts of climate change on their local environment and day-to-day lives.
- Rising Sun supports the broader definition of ESJ communities included in this version (Version 1.0) of the plan and supports the additions to the original definition recommended by the SB350 Disadvantaged Communities Advisory Group.
- We note that in the more detailed Goals sections, particularly in the tables detailing Actions/Next Steps/Implementation Lead, that the actions often mention DACs exclusively, and we suggest that these be broadened to be inclusive of all ESJ communities as defined in this plan, when not prohibited by statute or prior decision.
- Rising Sun recommends the application of this broader ESJ framework to other proceedings and decisions where hard-to-reach, disadvantaged, and underserved ratepayers are currently discussed.
- Coming from an energy efficiency (EE) perspective, it is difficult to reconcile the goals of this Action Plan with the reality of what is currently driving EE program design and delivery. The CPUC has a statutory obligation to ensure EE programs are cost-effective. The current mechanism for measuring cost-effectiveness is the Total Resource Cost (TRC) test. Many of the elements proposed in the ESJ plan will lower the TRC as currently calculated. We remain concerned that, without modifications being made to the TRC, equity will be viewed as an additional cost with no energy benefit and ESJ communities will continue to be underrepresented and underserved, despite everyone’s best intentions.
- For this work to be meaningful and have impact, it must be funded. The CPUC can meaningfully support equity in ESJ communities by directly funding innovative programs led by community-based organizations that provide services in ESJ communities as broadly defined in this Plan.
- We expect that the CPUC will leverage existing resources and efforts around equity, including working with related nonprofits, community-based organizations (CBOs), and advocacy groups; and will leverage research, including the SB 350 Barriers Study, that make specific recommendations on how to meaningfully advance equity in these areas. The CPUC can act on those recommendations directly and partner with organizations to fill gaps in knowledge or expertise that may exist.
- We agree with the Plan’s about how difficult it can be to engage meaningfully with the CPUC. This means that companies, organizations, and individuals with more resources and greater

levels of technical and administrative sophistication are heard more than those without. Rising Sun continues to support the development of a public online comment system and plain language content included in this Plan as steps toward leveling the playing field.

- We appreciate that this version of the Plan acknowledges that nonprofits are not eligible for existing diverse business/supplier diversity certifications, and therefore may be at a disadvantage despite holding the same qualifications.
- Local Government Partnerships are facing massive budget and scope reductions in 2019 and beyond. We reiterate that this limited scope will make it difficult for local governments to meaningfully participate in this ESJ work and will dramatically reduce the benefits they currently deliver for hard-to-reach and disadvantaged communities as set out in the goals.

Conclusion: An Opportunity to Lead

The Commission has taken meaningful action on workforce and other equity issues impacting ESJ communities. The ESJ Action Plan allows the Commission to make that prioritization intentional, foundational, consistent, and coordinated. Emphasizing equity for ESJ communities does not mean ignoring other ratepayers. Instead, this Action Plan represents an opportunity for the Commission to take ownership of what it, in many cases, is already doing, and to take a visible leadership role in the State in acknowledging and addressing the history of unfair treatment and disproportionate impacts felt by ESJ communities.

We once again thank the CPUC for its commitment to advancing equity for ESJ communities, and for developing a roadmap to achieve its vision. We appreciate the opportunity to engage on this topic and to provide our perspective. To the extent that we can be helpful, we offer Rising Sun’s ongoing support to the CPUC on these important issues.

Sincerely,



Jodi Pincus
Executive Director
Rising Sun Center for Opportunity



Julia Hatton
Director of Strategy Development & Policy
Rising Sun Center for Opportunity