BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Continue the Development of Rates and Infrastructure for Vehicle Electrification.	R. 18-12-006 (Filed December 13, 2018)

OPENING COMMENTS OF THE GREENLINING INSTITUTE ON THE ENERGY DIVISION STAFF PROPOSAL FOR A DRAFT TRANSPORTATION ELECTRIFICATION FRAMEWORK CHAPTER 6 "EQUITY"

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I. INTRODUCTION

Pursuant to the February 3, 2019 Ruling and the February 14, 2020 Administrative Law Judge's Email Ruling Requesting Comments on the Energy Division's draft Transportation Electrification Framework (TEF), The Greenlining Institute ("Greenlining") submits the following opening comments. The August 4, 2020 email ruling of Administrative Law Judge ("ALJ") Goldberg resetting the procedural schedule to file and serve opening comments by August 21, 2020.

Greenlining—in related transportation electrification ("TE") proceedings—has detailed the historical basis for why the Commission must ensure TE activities under its jurisdiction are carried out with an equity lens and approach. Given the broad implications of a framework under this OIR to set overarching goals, principles, and criteria for TE projects moving forward, Greenlining finds it necessary to re-introduce this historical background. Additionally, Greenlining outlines equity activities, goals, policies, and actions we believe necessary for an equitable TEF process and complementary actions the state of California is undertaking that are relevant to this OIR and that must be considered in developing a framework. Lastly, Greenlining comments on specific parts of the OIR.

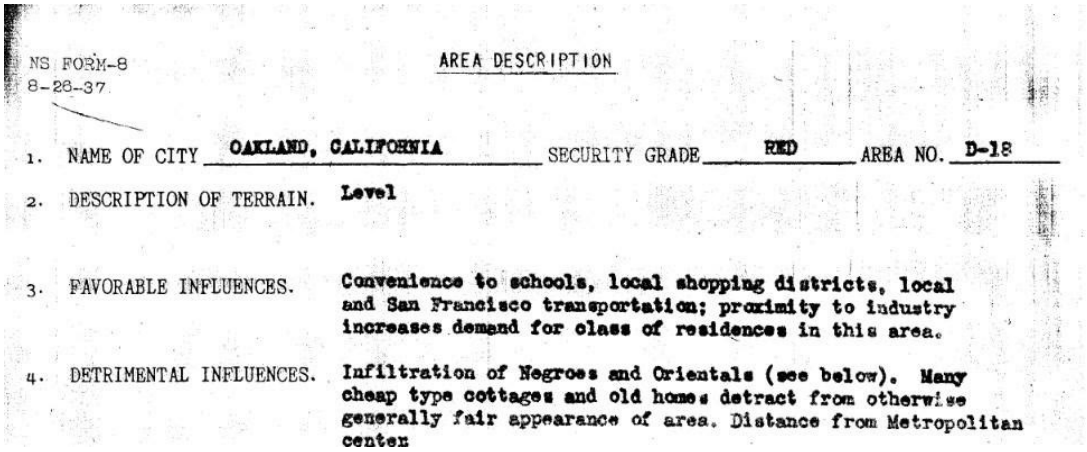
II. THE COMMISSION MUST ENSURE THE FRAMEWORK PROMOTES THE PUBLIC INTEREST AND ADVANCES RACIAL JUSTICE

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. Government carried out multiple acts of oppression, 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."

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 the Home Owners Loan Corporation ("HOLC") was the federal agency charged with backing mortgages to help post war families build wealth. To help carry out this program, "government surveyors interviewed local officials and bankers to document what local lenders considered credit risks in different neighborhoods." 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." 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." 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.

Figure 1: Area description for an East Oakland neighborhood



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AREA DESCRIPTION

1. NAME OF CITY OAKLAND, CALIFORNIA SECURITY GRADE RED AREA NO. D-18

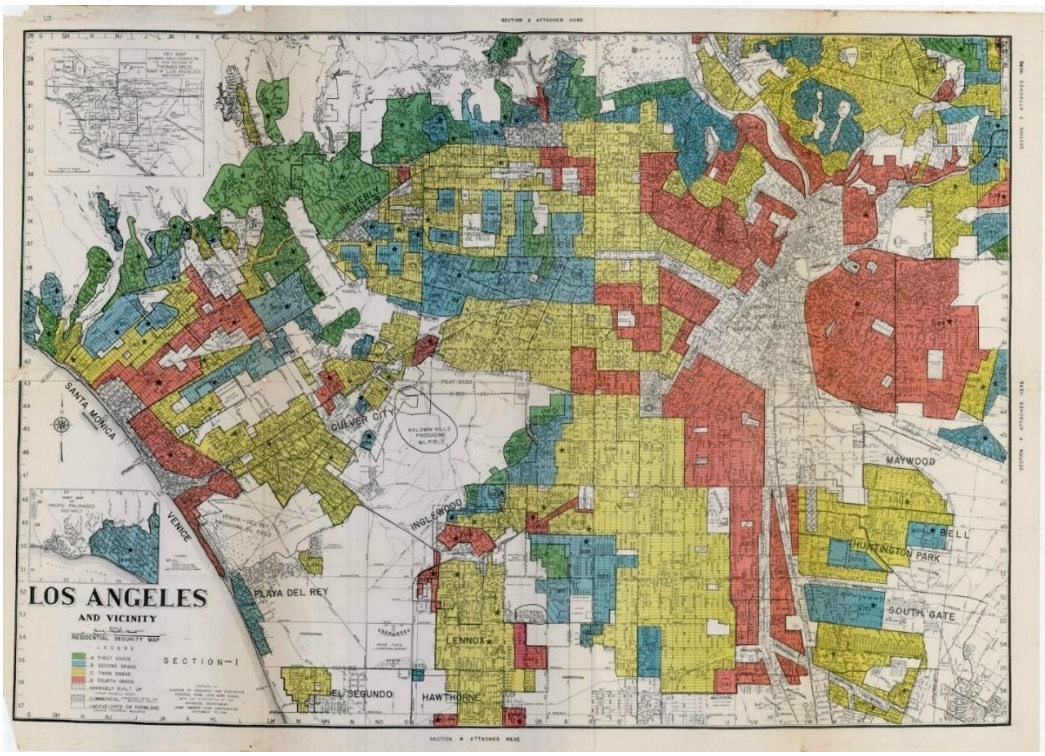
2. DESCRIPTION OF TERRAIN. Level

3. FAVORABLE INFLUENCES. Convenience to schools, local shopping districts, local and San Francisco transportation; proximity to industry increases demand for class of residences in this area.

4. DETRIMENTAL INFLUENCES. Infiltration of Negroes and Orientals (see below). Many cheap type cottages and old homes detract from otherwise generally fair appearance of area. Distance from Metropolitan center

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 in Los Angeles, California:

Figure 2: Redlining Map of Los Angeles, CA



A four-university research project aimed at archiving these redlining maps summarizes their impact:

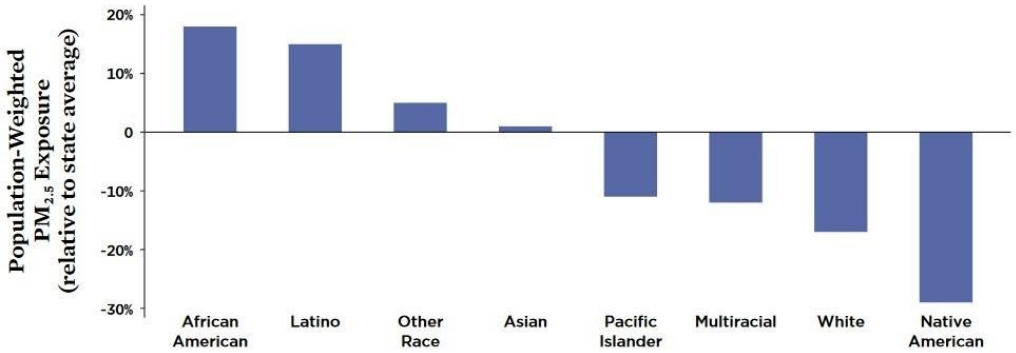
> *Over the last thirty years especially, scholars have characterized HOLC's property assessment and risk management practices, as well as those of the Federal Housing Administration, Veterans Administration, and US. Housing Authority, as some of the most important factors in preserving racial segregation, intergenerational poverty, and the continued wealth gap between white Americans and most other groups in the U.S. Many of these agencies operated under the influence of powerful real estate lobbies or wrote their policies steeped in what were, at the time, widespread assumptions about the profitability of racial segregation and the residential incompatibility of certain racial and ethnic groups. Through HOLC, in particular, real estate appraisers used the apparent racial and cultural value of a community to determine its economic value.*

This long historical record of explicit and implicit policies and practices created structural inequities in our society along race and ethnicity lines. These inequities manifest 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.

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. Recent analysis from the Union of Concerned Scientists details the science of particulate matter
pollution from on-road sources and its discriminatory impact on Black and Latino Californians in particular:

Figure 3: Disproportionately High Exposure to PM 2.5 for Blacks and Latinos in California



African American and Latino Californians have 19 and 15 percent higher exposure to $PM_{2.5}$, respectively, than the state average, while white Californians are exposed to 17 percent lower concentrations.

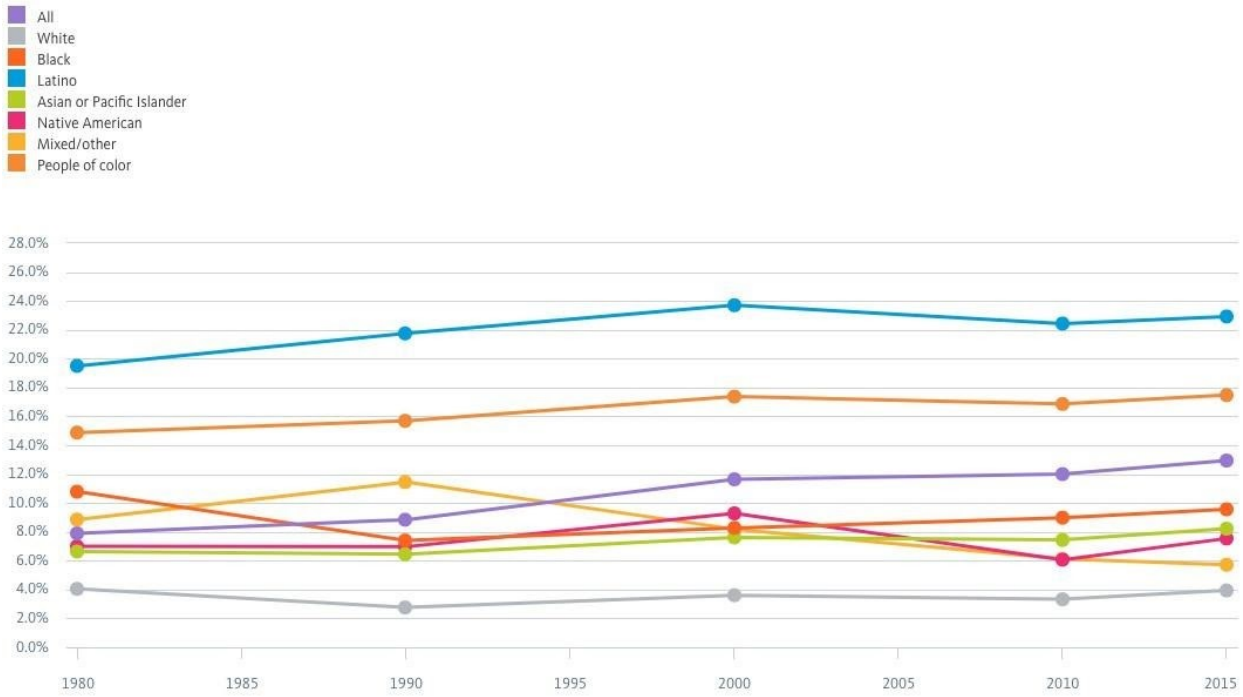
Moreover, the figure below shows the greater exposure to air pollution overall (not just on-road sources) by people of color—Black people in particular—in the Los Angeles Metro area:

Figure 4: Air pollution index by race/ethnicity: Los Angeles-Long Beach-Santa Ana Metro Area, 2015

In June 2018, the California Environmental Protection Agency's Office of Environmental Health Hazard Assessment ("OEHHA") put out an analysis reinforcing the findings that pollution in California discriminates, impacting Black and Latino people the most. According to this analysis, approximately 89 percent of people living in the poorest, most polluted regions in the state, are people of color. 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.

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 in the Los Angeles Metro area remained steady just below 4 percent. During that same period, the share of working poor among people of color grew from 14.9 percent to 17.5 percent:

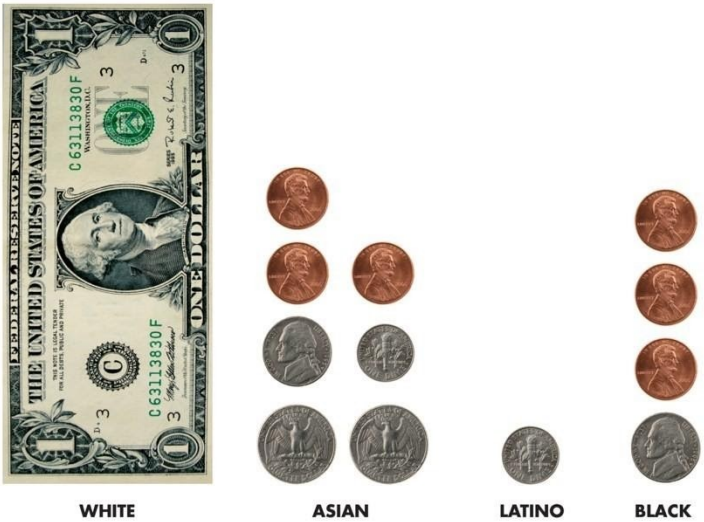
Figure 5: Percent of working poor by race/ethnicity: Los Angeles-Long Beach-Santa Ana Metro Area, 1980-2015.



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."

Additionally, people of color, and—Black people in particular—lack access to wealth and assets that can serve as a lifeline in cases of emergencies or as credit when looking to rent or purchase a home in less polluted areas.

Figure 6: Family wealth by race in the United States



The figure above shows the scale of the racial wealth gap in the United States. In 2013, for every dollar a white family had, the median Black family had 8 cents and the median Latino family had 10 cents.

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. In fact, the California Air Resources Board ("CARB") acknowledges that "the way we grow also imposes and often reinforces long standing racial and economic injustices by placing a disproportionate burden on low-income residents, who end up paying the highest proportion of their wages for housing and commuting." Moreover, the draft of the "Environmental and Social Justice Action Plan" that is intended to be an equity roadmap for the commission states that "beyond program design, environmental and social justice issues and opportunities can arise in the process of the Commission carrying out its various functions and responsibilities" and "Accordingly, the CPUC can act on its own initiative to address issues as they emerge. The CPUC can further seek to achieve environmental and social justice goals by strategically targeting enforcement efforts in ESJ communities."

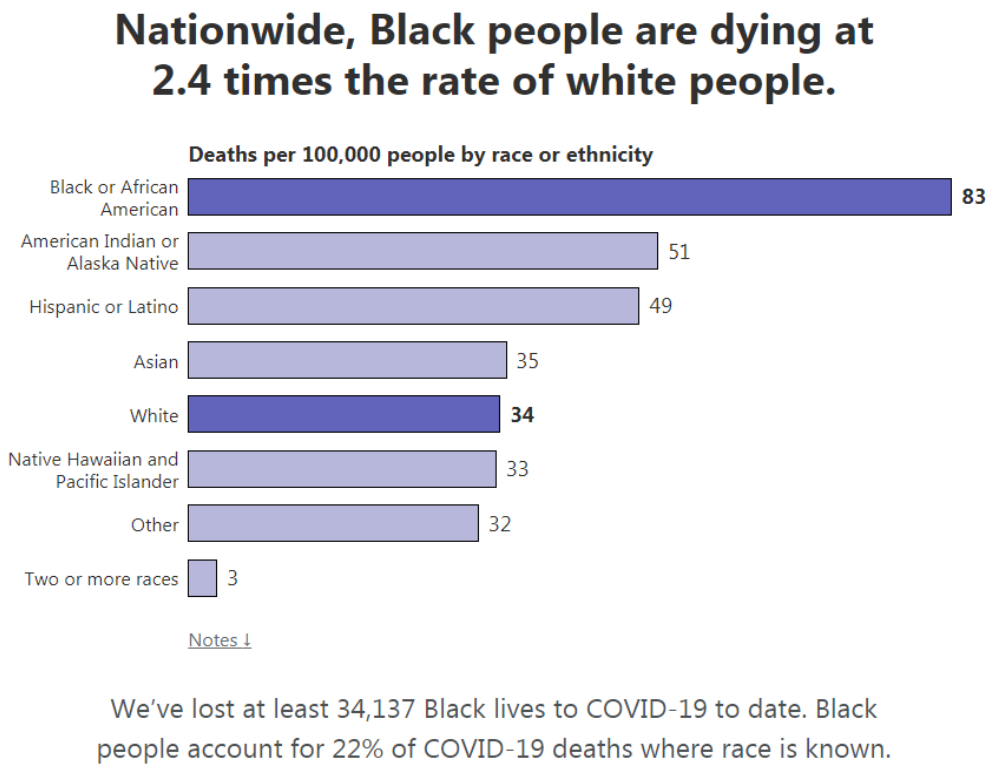
To close racial divides and create a fairer and more just California, California must prioritize, practice, and govern with equity in every sector of our economy, including TE activities under the Commission's jurisdiction. Additionally, the California government—and the Commission as a state

agency—has the duty and responsibility as part of its "police powers" under the 10th Amendment of the United States Constitution to "promote the public health, morals, or safety, and the general well-being of the community."

Today, our communities are plagued with two public health crises, Covid-19 and the perpetuation of racial injustice that continues to prevail with full force. These compounding pandemics should be addressed as we continue to build equity into our transportation electrification efforts. Black and Brown communities are most at risk for Covid-19 and have disproportionately represented infection rates, understanding that our state's transportation sector is responsible for the majority of pollution and poor air quality which is known to exacerbate pulmonary disease and risk of Covid-19. It is imperative that the CPUC address the current pressing issues that are directly correlated with the work the commission aims to achieve and the responsibility it has in addressing their role in what could mitigate our present public health emergencies. The TEF is an opportunity to both inform our long term process toward transportation electrification and in doing so also assist in our recovery from the Covid-19 Pandemic.

With the decision making power to dictate transportation electrification investments in our state for the next 10 years the CPUC should recognize the relationship between TE and its connection to Covid-19 to use it as a tool for mitigation. The TEF has the opportunity to correct injustices while helping the state meet our climate goals and alleviate respiratory diseases exacerbating Coronavirus infection rates in ways that can allow all communities to contribute to this "recovery step" in an equitable way. The TEF has the power to influence Californians to consider switching to electric vehicles by making charging infrastructure more available, and is the framework to facilitate individual and institutional behavior toward electric transportation therefore allowing all communities to access and participate in a clean energy future. For this powerful reason, it's imperative that we get equity right to avoid replicating systems that have disenfranchised low income people of color, perpetuate the inequitable legacy of transportation we have inherited and alleviate the number of Covid-19 infection rates for people of color. The Greenlining Institute recommends the CPUC derive its approach to acknowledge these double pandemics (Covid-19 and Racism) from Greenlining's "A Just Response to Covid-19" as well as "A Just Covid-19 Response & Recovery To Support Resilient Communities".

Figure 7: Nationwide, Black people are dying at 2.4 times the rate of white people.



Source: https://covidtracking.com/race

III. OPERATIONALIZING EQUITY: HOW TO MAKE EQUITY REAL

The framework coming out of this OIR should have strong equity guidelines, especially considering the potential scale of funding that would be approved for TE projects under this framework, and the potential benefits that would be generated from it. In order to do this, Greenlining recommends the Commission operationalize equity to the maximum extent possible. We commend the Energy Division's inclusion of equity as a priority in the proposed framework and encourage staff to continue to highlight and center these efforts to ensure a commitment to equitable access to clean transportation rather than having it be an afterthought. Upon review of draft framework and application of The Greenlining Institute's "Making Equity Real in Climate Adaptation and Community Resilience Policies and Programs Guidebook" we recommend as a best practice to apply equity to the TEF through the four following steps:

1. Embed Equity in the Mission, Vision and Values: This calls for policies and programs to explicitly state a commitment to equity and specifically identify the disadvantaged communities they seek to benefit. The effort must aim to create comprehensive clean mobility strategies for communities that not only build the resilience of physical environments but address other health and economic injustices that transportation barriers and climate impacts exacerbate.

- Explicitly identify and define communities that the policy or program aims to benefit
- Deliver direct and meaningful benefits to communities
- Target funding to frontline communities
- Promote objectives that generate multiple benefits
- Integrate climate adaptation and climate mitigation efforts
- Include displacement avoidance language

2. Build Equity into the Process: The second step should include processes that deeply engage community members to learn about their priorities, needs and challenges to adapting to climate impacts, otherwise known as a Community Needs Assessment. This step is also a key recommendation in the SB 350 Barriers Study and as such must serve to directly inform proceeding implementation strategies. The information gathered should inform the development and implementation of the policy or program. Given this best practice we suggest the strategies below.

- Promote Authentic and Meaningful Community Engagement for Policies
- Require Community Engagement for Feedback on Draft Plans and Program Guidelines
- Require Community Engagement for Implementation of Plans and Program Projects
- Promote Authentic and Meaningful Community Engagement for Grant Programs
- Include Community Engagement Spectrum and Activities
- Organize a Listening Tour to Gather Community Input
- Include Cultural Considerations such as language and local history
- Engage State Agencies with Experience Working with Frontline Communities
- Include Technical Assistance and Capacity Building to Achieve Equitable Outcomes
- Dedicate Funding for Certain Activities such as community engagement, outreach, capacity building, technical assistance, and workforce development
- Include Advisory Committee with EJ, Equity and Community Members

- Require Applicants to Develop Plans for Community Engagement, Workforce Development, Climate Adaptation and Resilience, and Displacement Avoidance
- Promote Transparency
- Include Members with EJ And Equity Expertise on Application Reviewing Committee
- Promote Equitable Budgeting Practices in Policy Development such as funding planning activities, advance payment, and dedicated funding to priority policy outcomes
- Conduct an assessment of CPUC's readiness to begin equitable community engagement work (i.e. Does our staff have an understanding of institutional racism, power, and systems change? Does our organization's management and leadership support the use of an equity lens? Does our team have existing relationships with community groups? Does our team have trust with the community?).
- Ensure that the priority populations are defined and consistently considered in all equity investments and their associated tasks and outcomes. Consider the differing mobility needs of communities by geography. With an understanding that urban, suburban and rural communities face different transportation barriers it is important that in the CPUC's prioritization and application of equity, it recognizes this distinction. Where single occupancy electric vehicle incentives may be appropriate in one community, micro mobility or public transit may be best in another. It is through this idiosyncratic recognition that equity is most successfully realized.
- Require outreach staff and their leadership to participate in equity and community engagement training and workshops. It is best practice to ensure participants in engagement efforts are culturally competent and well educated in their understanding of equity to build trust and via that effort most accurately and abundantly address community needs.
- Ensure transparency throughout all steps of the funding allocation and budgeting process. To strengthen this commitment, it is essential to clearly show proposed funding allocations for equity specific priorities. We encourage transparency in every step of the process as a best practice and recommend participatory budgeting strategies for consideration. Participatory budgeting is a process in which community members determine how to allocate and spend public funds, this can be used as a tool for community empowerment and assist in trust building efforts. The California Environmental Justice Alliance (CEJA) provides extensive resources in their "SB 1000 Implementation Toolkit", a toolkit for guidance on SB 1000, which requires local

governments to identify disadvantaged communities in their jurisdictions and address environmental justice in their general plans.

- Consider developing criteria/ standards for the selection process of local Community Based Organizations (CBOs) or institutions to hold local administrators accountable to desired outcomes, ensure their own internal and external processes are equitable, and their staff exhibits readiness to engage with community members. While not proposed in the draft TEF we must recognize that not all CBO's perform outreach activities in the same way, there are best practices and good standards, however not all CBO's prioritize these approaches. To achieve a higher standard for community engagement done by CBOs we recommend CPUC staff include a set of standards that CBO partners will be held to in order to increase the level of effectiveness that we seek. We recognize the level of outreach will differ across California and understand that there will be variation, but we want to establish a high bar for what local CBO engagement looks like through a set equity standard. This is particularly important for evaluation and measurements of outreach efficacy in the analysis phase. We strongly recommend staff consider what this standard looks like to set expectations for a high functioning and most effective local partnership.

In accordance with this second step of the making equity real process we encourage the Energy Division to design the TEF to allow each utility to develop a TEP strategy unique to their service territory's needs. With the guidance of the TEF, IOUs should be held accountable to the expected equity outcomes laid out in the framework while also having room to update their TEPs as new knowledge about equity, unique customer needs and disproportionate deployment comes along. Including this step in the TEF and in IOU TEP processes can account for income, geographic and demographics variance in each IOU service territory while following a standard equity framework. IOUs should be required to follow a standard approach in how to develop equity outcomes but must recognize that those outcomes may look differently based on service territory characteristics. In fact if equity processes are applied intentionally TEPs will look differently. While we encourage the TEF to permit room for variance in TEPs this does not mean that utilities should not follow equity processes recommended in these comments, that they should not achieve expected equity targets and metrics, nor that they are absolved of making equity foundational in their TEPs.

3.) Ensure Equity Outcomes: Step 3 necessitates that the implementation of the policy or program must lead to equity outcomes that respond to community needs, reduce climate vulnerabilities, and increase community resilience. The relationship between steps 2 and 3 should ensure investments are addressing community identified needs gathered in step 2. Outcomes include improved public health and safety, workforce and economic development, etc. Equitable implementation also requires that the process identifies and minimizes unintended consequences that may arise from the implementation process such as displacement and gentrification. The racial wealth gap remains one of the biggest economic inequities created by this country's structurally racist past and present. The racial wealth gap has left low-income communities of color with some of the most polluted air and water, plus a lack of climate investments that could create healthier communities, quality job opportunities, and innovative programs that reduce the cost of basic necessities. We recommend developing implementation strategies that work to reduce the racial wealth gap by advancing the health and wealth of underserved communities.

4.) Measure and Analyze for Equity: The final step to operationalize equity is to measure how equity has progressed and examine whether equity goals were achieved. Operationalizing equity calls for policies and programs to regularly evaluate their equity successes and improve the effort going forward. Assess whether outcomes were responsive to the respective needs identified in the community needs assessment conducted out of Step 2 and if the outcomes reflected the framework's equity purpose.

- Include Evaluation Guidelines
- Include Language in Guidelines about Developing Equity Indicators
- Provide Applicants with Resources on How to Develop Indicators
- Share Best Practices and Lessons Learned from Grant Programs
- Promote Transparency and Accountability

IV. GREENLINING OPENING COMMENTS ON CHAPTER 6: EQUITY

A. Equity Must Be a Holistic Approach Not Restricted to One Chapter

The Greenlining Institute defines racial equity as, "Transforming the behaviors, institutions, and systems that disproportionately harm marginalized communities. Equity means increasing access to power, redistributing and providing additional resources, and eliminating barriers to opportunity, in order to empower low-income communities of color to thrive and reach their full potential." The Greenlining Institute commends the Energy Division for including equity in its draft TEF and through our observations of the Equity chapter have determined that although equity is included as a chapter, it should be foundational to the entire draft TEF. As it stands, the equity chapter itself lacks direction, specificity and concreteness in its approach. This lack of direction could create opportunities for utilities to interpret "equity" in ways that may not align with CPUC goals and lead to insufficient or harmful outcomes. In the field of equity it is best practice to be as explicit and intentional as possible to achieve the most benefits for target communities. Guiding the entirety of the TEF document with an explicit definition of equity and consistent guidance on how to achieve this throughout is the best way to actualize the goal of equity into real outcomes.

B. CPUC Should Lead By Example In Developing An Equity Centered TEF That IOUs Can Use to Craft Their TEPs

The Greenlining Institute agrees with the Energy Division's direction to require equity standards in the TEF to direct IOU TEPs. As such, we request that CPUC staff apply what they expect from IOUs in their own TEF process by operationalizing equity throughout this OIR procedure and explicitly identifying what equity outcomes must be achieved through the draft TEF process. The TEF should lead IOUs by example in setting strong equity standards and having the CPUC meet its own equity goals where appropriate. By setting standards that follow the operationalizing equity framework, clearly define, process, implement and measure equity the CPUC will be practicing what it preaches and be a northstar for IOUs as they develop their own TEPs. This will not only provide guidance for IOUs on how to actionably achieve equity in their service areas, but it will legitimize the importance of equity practices in TE across the state and establish rapport among IOUs and stakeholders in the CPUC's capacity to navigate equity issues. If the TEF moves forward with equity as it is currently proposed, it

could not only mean benefits for low income and people of color are left at the table but it would signal the CPUC's negligence of marginalized populations, perpetuate the legacy of disinvestment and disenfranchisement, inhibit equitable access to quality transportation electrification resources and uphold racial and class barriers from participation in the clean energy economy.

To meaningfully address equity in TE efforts the same rigor applied to market and technology issues in the TEF must be applied to equity. We recommend clearly defining what the CPUC refers to as "equity" and restating its commitment to equitable missions, visions and values and applying this commitment in each chapter and section of the TEF.

Goals:

- Explicitly identify and define communities that the policy or program aims to benefit. Though disaggregated data is scarce and arduous to come by, it is a tenant of equity to be as explicit and specific as possible when identifying *who* is being served. Understanding exactly who is in need of TE is imperative for achieving equity. For example, if we can determine that Black renters are in greater need of TE investment, referring to that population as "Low income communities of color" is not useful and only serves to agglomerate various identities and their idiosyncratic needs into a monolith.
- Deliver direct and meaningful benefits to communities. It is insufficient to funnel investment to DACs and low income communities without thoroughly examining the direct outcomes and benefits that plan on being achieved relevant to that community's needs. In fact, distributing rate payer funds without due diligence and expected benefits is reckless investment and should therefore be avoided by meaningfully addressing explicit community needs determined through an equitable outreach process.
- Target funding to frontline communities. Similar to the aforementioned recommendation, to achieve equity it is crucial to commit to the tenet that those with the most needs, largest gaps and hardest hit must be prioritized. Frontline communities are low income people of color that experience "first and worst" consequences of climate related damage with minimal resources and massive vulnerability. It is for these reasons that funding should be targeted and prioritized to

reach these populations who consistently bear the brunt of our society's externalities and have been neglected for generations.

- Promote objectives that generate multiple benefits. While not always feasible, where possible it is best to always promote objectives and agendas that create various benefits to maximize benefits and ideally tackle the multi-pronged and pick away at the deeply rooted barriers that exist in disadvantaged communities.
- Integrate climate adaptation and climate mitigation efforts. As our environment faces compounding climate change consequences, our solution oriented policies should integrate both climate adaptation and climate mitigation efforts. Mitigation aims to tackle the causes of climate change and minimize possible impacts, whereas adaptation strives to reduce the negative consequences and take advantage of changes that arise as a result. With this in mind it is ideal to design environmental policies that consolidate both approaches to accelerate our solutions.
- Include displacement avoidance language. With economic driving forces changing demographic and density trends, gentrification and displacement are growing consequences. Places that were once home to low income communities of color for generations are now riddled with real estate speculation and insurmountable costs of living that have led to displacement, suburbanization of poverty and extreme commuting. Given the power that policy has to sway behavior it is paramount that language in these texts are intentional in their description of place and include strategic planning to avoid displacement as an externality.

C. Measurable Success: Setting Quantifiable Goals and Expanding Proposed Scorecard Targets and Metrics For IOU Accountability

Greenlining asks staff to thoughtfully anticipate, engage, and address the needs of DACs and recognize in the TEF that to achieve equity, staff must place equal value on the prosperity of low income communities of color as they do on the success of markets and infrastructure. We encourage staff to use the Making Equity Real document referred to in Section III above and apply the first two steps (Embed Equity in the Mission, Vision and Values, Build Equity into the Process) prior to developing targets and metrics. Identifying equity metrics without first ground truthing with impacted communities or

establishing the equity definition that is guiding the work is a recipe for failure. It is paramount to recognize that targets and metrics are a *result* of the four step making equity real process *not* a judgment call on how to get to an equitable destination. Investor Owned Utilities must be held accountable to equity by reaching their clearly defined equity goals, targets and metrics required by the CPUC as set in the TEF. In order for real equity to show through, the CPUC must require accountability and enact its authority over IOUs through TEF targets and metrics. The TEF must set high equity standards, quantifiable goals, evaluating and measuring efficacy, opportunities for course correction and consequences for failure to meet standards.

IOUs must be evaluated on their equity processes and outcomes to measure efficacy, avoid inefficiencies and course correct to achieve optimal operationalizing of equity. *Appendix E – Proposed Scorecard Targets* includes the following two potential equity targets that measure participation among hard to reach populations.

1. "Number of ESJ community customers served by ratepayer funded charging infrastructure"
2. "Date by which single family homeowners and those without access to home charging have the opportunity to pay the same amount per kWh to fuel an EV."

As proposed, these targets would measure low income customer participation but are not the type of targets Greenlining would identify as equitable. This list of targets is particularly problematic not only because the two targets are not enough but because they do not measure equity and fail to include better targets. The first proposed target does not specify what number of ESJ community customers must be served. By not setting an intentional count, percentage, ratio or threshold of ESJ communities and explicitly stating they *must* be served by ratepayer funded charging infrastructure, the "target" is merely a suggestion with no teeth for accountability. Similarly, the second target is unclear on why the relationship between single family homeownership charging rates and rates for those without access to home charging are significant for equity. Given that access to homeownership itself is inequitable and that not all homeowners are equal across incomes, the relevance of using homeownership as a marker for achieving an equity target is unfounded. The unsubstantiated relevance of the date by which this target should be achieved and single family homeownership rates to equity further proves the necessity to have clear definitions of equity and explicit equity targets to avoid developing generic measures of success.

Appendix E – Proposed Scorecard Metrics includes the following one potential equity metric out of a total 21 metrics. Similar to the proposed equity targets, Greenlining would not qualify this as an

equity metric given that it is unclear whether the MUD residents are a DAC population or high-income renters. Without distinct language to identify the populations that staff intends to see benefit from the TEF, neither proposed targets nor metrics will suffice to ensure equitable outcomes.

1. "Number of EVSEs installed that are dedicated for MUD residents/ renters"

The draft's current targets and metrics are insufficient and do not holistically encompass the scale at which equity must be considered in state transportation electrification efforts. Greenlining urges the energy division to *groundtruth* and expand the TEF's equity targets and metrics to include a more robust list of measures that will directly lead to investments in hard hit communities and address inequities that have been identified by community members themselves. With minimal targets and metrics and a lack of equity procedures through which those presented were derived, the current iteration of the draft TEF Equity chapter disappointedly communicates a deprioritization towards social justice and presents the CPUC's position on equity as ornamental rather than foundational to its work. We stress the importance of considering equity implications with the same gravity through which financial, logistic and infrastructure metrics are weighed to prevent perpetuating barriers in already burdened communities and exacerbate disparities in health, income and quality of life for low income and people of color.

D. Data Considerations To Fill The Equity Gaps And Provide Targeted Investments To DACs

We offer the following point of data to fill in equity gaps we noticed in our review of the TEF. Data from current programs could play a big role in how we target our states transportation electrification resources.

- *IOU Data to Inform Equity Gaps.* Greenlining proposes that in addition to the ESJ Action Plan, Tribal Consultation Policy and SB 350 Low Income Barrier Study staff require IOU's to publish current deployment and resource data to identify where gaps exist. Currently, there is no geospatial analysis of where transportation electrification investments and infrastructure have been deployed across the state. This data in combination with CalEnviroScreen data could be used to strategically fill gaps and more specifically target communities impacted by both poverty and pollution.
- *IOUs Should Provide Lessons Learned from Charging Infrastructure Programs that Include Equity Commitment.* Along with our recommendation above, IOU's currently have invaluable knowledge regarding equity from charging infrastructure programs that include equity

commitments. This data should be used to inform deployment strategies, best practices and lessons learned to further improve investment in our state's disadvantaged communities (DAC's).

- *IOUs Should All Share Uniform Definitions.* Given that there are various ways the terms "Equity", "Disadvantaged Communities" (DACs) and "Low Income" we recommend staff provide a glossary of clearly defined terms and consistent terminology by which all stakeholders and IOUs regardless of service area must abide by. This clarification will ensure that no miscommunication or convolution of terms and therefore investments will occur. See section titled "*Follow AB 1550 Definitions for State Area Median Income and DAC Prioritization*" for Greenlining's recommendation to use AB 1550 Equity Designations.
- *Community Engagement Guidance.* We applaud Energy Division for requiring IOUs include community engagement practices in their TEP applications and once again stress the importance of this task. However, there is a lack of specific guidance from CPUC in the TEF as to how IOUs should go about equitably and successfully doing so. We recommend using our aforementioned four step "Making Equity Real in Climate Adaptation and Community Resilience Policies and Programs Guidebook" as a high-level guide for how to properly take part in community engagement and reap the most benefits for communities.
- *TE Targets:* - The OIR states that targets "should also be aligned with and supported by . . . statewide implementation of Charge Ahead California to ensure access to TE is improving for all Californians, including those in disadvantaged and low-and moderate-income communities." Greenlining agrees that alignment with Charge Ahead equity projects is critical. However, efforts increasingly must move beyond "coordination and alignment" and include "integration and partnership" to truly ensure all targeted efforts in disadvantaged and low-income communities are seamlessly benefiting low-income people of color.
- *Consider Emerging Data Sets:* Currently, the draft TEF equity data sets are limited to the CARB's Low Income Barriers Study, Tribal Consultation Policy and the ESJ Action Plan. While these resources are important for beginning to lay the groundwork for equity it is necessary to consider additional data sets that speak to relevant deployment, public health, diversity, land use and climate change data. Expanding data and creating flexibility to consider emerging data is particularly crucial for the TEF's 10 year intended timeline as incorporating innovative and revisited information will ensure its success both technologically and socially.

- SB 1000 data
    - The California Energy Commission has released preliminary results addressing the issue of deployment vs accessibility. According to, "Electric Vehicle Charging Infrastructure Deployment Assessment" the CEC was tasked with "Assessing whether charging station infrastructure is disproportionately deployed...using parameters that include population income, population density and geographical area to inform proportionate deployment of charging station infrastructure and guide the allocation of program funding for transportation solicitation". The issue pertaining to deployment vs accessibility is one that Greenlining suggests the CPUC consider in their pursuit of equitable EVSE investment. While deployment data may point to the existence of charging infrastructure in DACs, it does not present evidence that individuals who would be considered low income or people of color are the ones accessing the infrastructure located in a DAC designated census tract. In other words, the deployment of charging infrastructure geographically may be perceived as equitable due to its location but may not be serving priority populations due to the census tracts zoning (industrial, commercial, etc) where it may be hard to reach. In other cases, the deployment may be aimed in DAC census tracts where high income populations have most access due to its proximity to job centers.
- Covid-19 data
    - The havoc of the Covid-19 pandemic has reached unprecedented and disproportionate infection and death rates as well as rippling consequences to our economic and social establishments. We have seen our institutions fail to respond swiftly and equitably to the once looming threats we now tread and which continue to threaten our livelihoods everyday. To fail to acknowledge the ways in which transportation electrification efforts are tied to this public health crisis is to deny the responsibility the CPUC has to assuage health disparities in any way that it can. The CPUC as a regulatory entity with power vested by the state of California responsible for California's hurting low income communities of color and it must recognize its ability to address both Covid-19 and racial injustice pandemics through electrification and energy levers that only it can

pull. Greenlining urges the CPUC to consider Covid-19 data in their distillation of deployment allocations and in equity design.

- The Potential of Prop 16
    - On November 3rd, 2020 various ballot initiatives will be voted on including Proposition 16, a proposed "constitutional amendment that would allow schools and public agencies to take race and other immutable characteristics into account when making admission, hiring or contracting decisions". If passed it would reverse proposition 209 and allow affirmative action at state institutions. Prop 16 would allow state agencies such as the CPUC to allow for more explicit recognition of race both internally and externally, extending to not only policy and rulemaking but in the CPUCs procedural, hiring and intrinsic practices. The Greenlining Institute encourages energy division staff to both anticipate and draw from the possibilities of Prop 16 and incorporate inspiration into the TEF to challenge race blind ideas and be more explicit about the populations it should uplift. California's transportation electrification frontier faces issues that are not homogenous; they are unique and representative of its diverse population. Therefore, the data the CPUC uses should seek to visualize these unique issues and to the extent possible gather disaggregated data to explicitly affirm the unique needs of Black, Latinx, Native American and Asian Pacific Islander rather than grouping all people of color into one monolithic community. The energy division should avoid using proxies for race and income where possible and expand into qualitative, ethnographic and survey data to corroborate quantitative findings.
- Land Use, Zoning, Demographic Trends and Climate Change Data-- Sea Level Rise, Flood and Fire Risk Data
    - Considering land use and zoning maps to better apply a cost benefits analysis of charging infrastructure deployment is crucial for feasibility and determining accessibility. We recommend the CPUC include this data in their equity process to assess how land use practices and zoning will impact housing, commercial, office and industrial development and therefore access to charging infrastructure.

- Similarly, execute targeted deployment and remove barriers to EVSE access, studying demographic projections is crucial for equity especially within the bounds of the TEF's 10 year timeline. Understanding where populations are moving to in the face of gentrification, economic and climate displacement and the suburbanization of poverty will reveal *where* communities of color and low income residents will be by the time the infrastructure is ready for use.
- In order to continue to mitigate and prolong the effects of climate change through policy it is essential to understand and embed current and projected climate induced landscape changes into California's transportation electrification plans. Using sea level rise data and flood maps that determine where land will be submerged must be analyzed along with fire risk data, particularly while working with utilities that have failed to protect residents during heatwaves and have authorized power shut offs during an already difficult global pandemic. Anticipating how our state's geography will change as a result of fire and flooding will better inform where to deploy infrastructure, where to allocate resources, which populations are most at risk and therefore in need of targeting investment that includes climate mitigation efforts along with TE deployment.

- *Follow AB 1550 Definitions for State Area Median Income and DAC Prioritization:*
  - SECTION 6.2 "Equity Designations" in the draft TEF Equity chapter recognizes the exclusion of low income residents who do not live in DACs, including rural and tribal populations. The Greenlining Institute agrees with Energy Division's recognition that equity designations must capture a broader range of populations affected by both poverty and pollution. As such, we recommend the CPUC follow the definition established under AB 1550 also referenced in section 6.2 and apply this definition to the way the TEF refers to DACs. Section 6.2 states, "CARB has begun using the term "priority populations" to define an overarching group of California's DACs, low-income communities, and low-income households. The DAC definition is based on CalEnviroScreen. The definition for low-income communities and households are those with incomes either at or below 80 percent of the statewide median or below threshold designated as low-income by the Department of Housing and Community Development.". Additionally, AB 1550 legislative language posits, "For purposes of this

subdivision, the following definitions shall apply: (1) "Low-income households" are those with household incomes at or below 80 percent of the statewide median income or with household incomes at or below the threshold designated as low income by the Department of Housing and Community Development's list of state income limits adopted pursuant to Section 50093. (2) "Low-income communities" are census tracts with median household incomes at or below 80 percent of the statewide median income or with median household incomes at or below the threshold designated as low income by the Department of Housing and Community Development's list of state income limits adopted pursuant to Section 50093". We believe this definition is most appropriate for the TEF given that this definition was developed to guide state climate related programs that seek to mitigate poverty and pollution and is therefore built for the purpose to be inclusive of low income populations.

E. Addressing Availability and Affordability In Section 6.1 "Equity Barriers"

The staff proposal for the TEF recommends to the Commission that, "providing incentives or financing for vehicles themselves should remain outside the scope of ratepayer investment."This recommendation should be reconsidered and reconciled with the staff's view that the "cost of electrifying California's transportation sector will be significant and cannot be borne by IOU ratepayers alone." Because ratepayer funds can leverage much larger flows of private capital to accelerate transportation electrification, the Commission should not accept categorical exclusion of the use of ratepayer funds to catalyze the commitment of private capital the staff correctly identify would be needed. As discussed in the following section on financing, IOUs can implement a tariffed on-bill program to capitalize the incremental upfront cost of electric vehicles associated with onboard batteries on terms that assure full cost recovery for the utility and a path to ownership for the vehicle owner.

In 2017, Greenlining Institute described in a Priority Review Proposal how CPUC approval of tariffed on-bill investment could allow a relatively small amount of ratepayer funds to leverage a much larger flow of funds (potentially 100X) to capitalize the incremental upfront cost of batteries on-board a transit or school bus, accelerating transportation electrification on terms that would amplify the benefit of ratepayer, taxpayer, or polluter-paid funding dedicated to electric vehicles in California. While this proposal was neither accepted nor formally rejected at the time, Greenlining notes that on August 27, 2020, the Commission will consider a Proposed Decision for an Order Instituting Rulemaking on Clean

Energy Financing to Investigate and Design Clean Energy Financing Options for Electricity and Natural Gas Customers. While the Proposed Decision is scoped to focus on buildings and industrial and agricultural sites, the Commission should not prematurely foreclose on the potential that insights emerging from that proceeding would provide a path for a relatively small amount of ratepayer funds to vastly accelerate the deployment of electric vehicles through a tariffed on-bill investment program leveraging a much larger flow of private capital sources to address the upfront cost barrier to electric vehicles, starting with bus fleets.

F. Alternative Financing: An Equitable Solution

More than a third of adults in the U.S. do not have the financial capacity in cash or its equivalent to handle an unexpected emergency expenditure of $400. This finding by the U.S. Federal Reserve Board's Consumer Financial Survey has persisted for more than a decade, and it is a robust finding as the product of the largest statistical survey of consumer financial affairs in the U.S. Noting that public agencies often considered to be in a position to lead by example may nevertheless be facing tight budget constraints, the upfront cost of an EV charger and even the electric vehicle itself is a barrier to widespread transportation electrification unless some financial mechanism is available for both residential and commercial customer segments.

Alternatives to loans and leases are necessary to overcome the upfront cost barrier because the underwriting criteria for these instrument have the effect of systematically disqualifying potential participants based on criteria such as income and credit score. As required by California state law SB350, CARB studied the barriers to wide-spread transportation electrification, particularly in low-income communities. Regarding financing, CARB found, "Low-income car buyers aware of the State's clean vehicle incentives and wanting to make an incentivized clean vehicle purchase may not qualify for a low-interest loan or lease option, or be able to afford the upfront price and wait for the rebate reimbursement." In this passage, CARB has named the upfront cost barrier and highlighted challenges with either consumer financing or rebates as a responsive solution. In addition to reinforcing the limits of loans and leases, CARB has further underscored the inaccessibility of rebates for customers who may not have sufficient cash or credit on hand.

The staff proposal asks stakeholders to opine on whether an "on-bill financing (OBF) program or a tariff-based recovery (TBR) program " offered by an investor-owned utility would overcome "significant barriers to widespread transportation electrification." Consistent with the definitions tended

by the American Council for an Energy Efficient Economy (ACEEE), the staff proposal defines the concept of an OBF program as a loan from a utility to a consumer with debt collections on the bill. The underwriting criteria required to secure consumer credit include attributes such as income and credit score, and even when a consumer is able to qualify, they may object to taking on a new debt obligation that extends their financial exposure or diminishes the amount of debt capacity available to finance other expenditures such as education or unexpected medical expenses.

Both Greenlining Institute and the Building Decarbonization Coalition have concluded that consumer loans are not an accessible or scalable solution for accelerating investment in building electrification, and instead, both have recommended that California policy-makers find a way to support the use of more inclusive solutions such as tariffed on-bill investment program. The same findings about the barriers to relying on consumer loan products to accelerate investment in building electrification are applicable to transportation electrification. With these insights in mind, an on-bill financing program, which by definition markets consumer loans, would be not be inclusive nor would it be effective at achieving widespread transportation electrification.

Tariffed on-bill investments, referenced in the staff proposal with a new phrase "tariff-based recovery," do not involve making loans to end-use customers. This is an important distinction included in footnote number 298 of the staff proposal and reinforced by ACEEE. By contrast, tariffed on-bill investment programs authorize a utility to capitalize cost-effective investments under the terms of an approved tariff that assures (1) full cost recovery for the utility through a fixed line-item charge on the bill for the location associated with the upgrade and (2) a pathway to ownership for the customer at the point when the utility's costs are recovered. Tariffed on-bill programs based on the Pay As You Save (PAYS) system include consumer protections that require the cost recovery charge to be capped at 80% of the estimated savings generated by the upgrade in order to produce positive cash flow for the end-use customer, and it requires the cost recovery period to be established as 80% of the useful life of the upgrade. The same system also requires the cost recovery charge to end if the upgrade capitalized by the utility stops functioning during the period of cost recovery. Tariffs for tariffed on-bill investment programs have been approved by utility commissioners in Hawaii, New Hampshire, Kansas, Kentucky, Arkansas, and Missouri. In addition, similar tariffs have been approved by a regulatory oversight board for an electric cooperative in North Carolina and the Tennessee Valley Authority. In California, the Regional Climate Protection Authority (RCPA) has worked with water utilities to establish tariffed on-

bill programs for residential energy efficiency upgrades, and RCPA is partnering with BayREN to introduce similar programs with more water utilities this year.

If tariffed on-bill investment is applicable to cost effective energy upgrades for buildings, could it be applicable to transportation? In 2018, the Global Innovation Lab for Climate Finance established a working group of experts to pressure test the idea with an initial application of transit buses, and in collaboration with the Climate Policy Institute, the Lab developed financial instrument analysis for the concept, calling it PAYS for Clean Transport. The analysis concluded that in the context of multiple market environments, tariffed on-bill investment could at least double the impact of any available grant or rebate funding to address the incremental upfront cost of clean transit buses, and in some cases, it could eliminate the reliance on the types of subsidies that are difficult to sustain or scale up to the level of market transformation required.

By that time, Greenlining Institute has already proposed the introduction of tariffed on-bill investment as a Priority Review Project, starting with transit buses. The proposal submitted to the CPUC as part of the initial transportation electrification framework was supported by Clean Energy Works, The Utility Reform Network (TURN), Environmental Defense Fund (EDF), Union of Concerned Scientists (UCS), and other parties. The proposal recommended working with CalCEF (now New Energy Nexus) to introduce a pilot project that would leverage ratepayer funds by as much as 100:1 by establishing a reserve fund for private capital that could be mobilized under the terms of a tariffed on-bill investment programs approved by the Commission. The CPUC neither accepted the proposal nor formally rejected it, deciding instead to reduce the award to PG&E for Priority Review Projects by 40% from the maximum allocation.

Within a year, a utility in Minnesota sought approval from its Commission to capitalize Level 2 EV charging equipment through a tariff that would assure cost recovery through a monthly charge over the estimated useful life of the equipment. The utility offered customers the option to pay more than $700 upfront for a wi-fi connected Level 2 charger to be installed in their home, or to pay nothing upfront on the assurance that the utility would (1) recover its costs with $10.37 added to the customer's monthly service charge for load monitoring and maintenance, and (2) provide the customer with a path to ownership equivalent to those who could pay with cash or credit upfront. The pilot program was capped at 100 customers and oversubscribed in 2 days. More than 2/3 of the participants chose the tariffed term for on-bill cost recovery rather than making the upfront payment. These metrics underscore the potential for an Investor Owned Utility in California to overcome the significant upfront cost barrier

to widespread transportation electrification by offering a tariffed on-billed investment program even if it were restricted to Level 2 charging equipment.

G. Internal CPUC Assessment and Readiness

Equity is a practice, one that must be met with dedication and consistency, and the CPUC must do to it's own self assessment in preparation for true commitment to this work. Currently, the CPUC is underrepresented by personnel that have deep knowledge of equity issues and thus have left a hefty task to staff that are not trained in equity and who then transfer this absence of knowledge to IOUs. Given the responsibility and obligation the CPUC has to Californians, it would not assign staff with no experience in technology to address tech issues and thus it should not expect staff with no equity experience to address equity issues. In other words, the CPUC will be claiming to do this work in the service of equity with no resources or qualification. The consequences of requiring an equity process with no guidance in the field and being unprepared to take on the necessary work is not a recipe for success and may lead to added harm in communities who need assuagement the most.

The Greenlining Institute suggests the CPUC establish an office or team dedicated to advancing racial equity. In line with this suggestion, the Greenlining Institute along with over 100 organizations have recommended the establishment of a statewide office of racial equity to address racial inequities across California and advance equitable outcomes for communities. "The Office of Racial Equity would identify existing policies and practices in the state that contribute to, uphold, or exacerbate racial disparities and develop proposals to address these disparities. It would also enact measures to support capacity building and provide technical assistance for state agencies to invest in strategies for racial equity, including employee training and support, development of racial equity programming, and assistance to departments to change departmental policies and practices to improve racial equity outcomes....It will lead efforts to:

- Develop a Racial Equity Framework;
- Oversee the development of agency-specific Racial Equity Action Plans that outline strategies to address racial disparities resulting from programs and policies the agency administers;

- Identify existing policies and practices in the state that contribute to, uphold, or exacerbate racial disparities and develop proposals to address these disparities, to be recommended to the Governor's Office and Legislature;
- Analyze and report on policies in the areas of but not limited to housing/land use, employment, environment, economic security, public health and public safety that may have an impact on racial equity or racial disparities;
- Create a budget equity assessment tool to determine whether budget requests and annual allocations benefit or burden communities of color;
- Facilitate state policy reform and systems change;
- Promote community outreach and engagement;
- Collaborate with the appropriate offices to develop policies, provide technical assistance, and train agencies on maintaining a diverse, inclusive, and culturally sensitive workforce; and
- Establish, in collaboration with agencies as appropriate:
    - (a) standards for the collection, analysis, and reporting of disaggregated data regarding race and ethnicity; and
    - (b) agency-specific performance measures.
- Convene work groups consisting of agency representatives and a diverse body of public stakeholders to explore strategies to achieve the purpose of this act."

We encourage the CPUC to draw from this proposal to enact their own office of racial equity to counteract the historic disinvestment and actively work to dismantle unjust systems disenfranchising Black, Brown and Indigenous communities with high levels of pollution and poverty. The legacy of American racism has been upheld on the premise that Black, Brown and Indigenous bodies are collateral damage for maintaining the status quo and prosperity of white individuals. The result of this legacy has been a continued racist hegemony that has actively produced racist policies. In order to undo this legacy the CPUC must play their part in actively combating racist policies with anti-racist policies as antidote.

V. COMMENTS ON SPECIFIC DRAFT TEF SECTIONS IN NEED OF EQUITY IMPROVEMENTS

The Greenlining Institute offers additional equity improvements on the following specific draft TEF sections. Based on our analysis of the complete draft TEF below is a non-exhaustive list of additional equity recommendations we wish to see addressed in corresponding draft TEF sections.

A. 3.1.2 Coordination with State Agencies

We agree with multi-agency coordination efforts and encourage the Commission work with other state agencies to focus on "better alignment of internal and external state agency resource planning processes while also addressing key questions about the role of utility transportation electrification investments in meeting the state's ZEV adoption targets and GHG emission reduction goals."Greenlining agrees that this will be a critical component of the framework.

Coordinating with state agencies can also help address gaps in experience working with priority communities. Agencies that have prior experience working with, for example, tribal, disadvantaged and low-income communities, will likely have insight into how to respond to needs and challenges in these communities. We recognize however, that, for reasons specific to the policy or grant program in question, the administering agency may not always be one with experience working with frontline communities on climate issues. In that case, we recommend the administering agency to partner with agencies that do have prior experience engaging with vulnerable populations to assist with implementation.

B. Chapter 4: Step 4 TEPs Address Market Barriers with Strategic Investments

This step states that, "Step four will integrate all of the previous steps and apply the matrix in Table 3 to identify the IOU strategies necessary to address priority market barriers based on the results of the Market Maturity Assessment, including any specific strategies necessary to address equity, as discussed within Chapter 6, 'Equity'". While we agree that equity barriers should be considered in this analysis it must not be applied as an afterthought in step four but also as an integral part of steps 1-3 to develop strategies necessary to address equity. In other words, how will IOUs be able to develop strategies to apply investments according to Equity Barriers if there is no mention of equity in steps 1-3? Additionally, we encourage staff to consider how IOUs will be required to address equity issues that

affect more than one IOU or overlapping service areas. This effort must coincide with clearly defined terms for "equity" and "DAC".

C. Chapter 5: 5.3 Customers Without Access to Home Charging

Greenlining agrees with staff that there should be a greater expansion of strategies to ensure customers without access to home charging are able to receive it. However, it is imperative that staff also clearly defines qualification metrics to determine which 'customers" are being referred to. These metrics should align with coordinated definitions of DACs and should consider income barriers as well as a pathway to ownership for homeowners and building owners that seek upgrades to attain on-site charging. For households that cannot afford the upfront cost of hardware installation, service models that involve perpetual cost recovery charges and no path to ownership is not acceptable when wealthier households that can pay upfront are assured a path to ownership from Day 1.

D. 5.4 Medium and Heavy-Duty Vehicle Infrastructure

Medium and heavy-duty fleets are an important sector of transportation electrification efforts and play a large role in our state's air quality goals. As such, we urge staff to consider equity into the designation process of a statewide lead to coordinate multi-service area operations. IOUs should be instructed to consider lessons learned from previous and existing medium and heavy-duty programs and coordinate with other sources of incentive funding to meet inter agency goals such as the CARB's Advance Clean Trucks Rule and the Innovative Clean Transit Regulation.

In addition, staff should integrate insight from the recently released multi-agency Vehicle Grid Integration Report that outlines a host of use cases for the large batteries aboard medium and heavy-duty vehicles, including 35 use cases for California's largest fleets of publicly owned buses - the school bus fleets. Because the batteries on-board the buses are valuable grid-edge assets, batteries should be considered along with charging infrastructure in policies to overcome the upfront cost barrier to fleet transition. As discussed in the section on financing below, both can be capitalized by utilities on tariffed terms that assure full cost recovery for the utility and a path to ownership for the customer, all while amplifying the impact of limited ratepayer, taxpayer, and polluter-paid funding sources.

E. 5.5 New Building Construction

New building construction application as near- term priorities are necessary considerations. Greenlining agrees with this assessment and we recommend staff examine how to align TE efforts with building code upgrades and affordable housing developments. We advise staff to consider California Energy Commission's REMI program, Strategic Growth Council's ASHC program and LIHTC processes.

VI. ADDITIONAL GENERAL EQUITY RECOMMENDATIONS

The Greenlining Institute offers additional general equity recommendations not included in the Energy Division's draft TEF Equity chapter. Below is a non-exhaustive list of additional equity recommendations we wish to see addressed throughout the draft TEF.

A. Marketing, Education, and Outreach:

"Given these disparate efforts, in order to maximize impact of ME&O, mitigate customer confusion, and ensure that outreach is being conducted to all customers including those who are low-income and/or reside in disadvantaged communities, the Energy Division staff shall propose an ME&O coordination framework, with particular attention to programs that recover costs through utility rates." Greenlining agrees that this is a critical need that should be robustly considered in this OIR.

B. Cost-Effectiveness:

Equity investments need to be considered under different standard of "cost effectiveness," given the nature and character of maximizing societal incomes. In other words, equity approaches require spending on key activities like MEO, capacity building, technical assistance, and inclusive workforce hiring and development. These spending categories add value and benefits to the community that are not necessarily measured by "number of charging ports" or other technology deployment based metrics.

C. Cost Recovery:

Greenlining emphasizes that this topic should promote public interest. The OIR should align earnings opportunities to maximize societal good. In other words, the size of the earnings opportunity for utilities should depend on how many societal benefits are produced. Likewise, utilities should be penalized when minimum public interest goals are not met. Guiding all of this should be the principle seeking to minimize ratepayer impacts, especially for low- and moderate-income ratepayers.

VII. MULTIPLE CALIFORNIA LAWS, PROGRAMS, AND ACTIONS AIM TO INCREASE CLEAN TRANSPORTATION OPTIONS IN DISADVANTAGED AND LOW-INCOME COMMUNITIES

Over the years, various California policies, programs, and actions have set objectives and commitments targeting benefits to disadvantaged and low-income communities relating to clean transportation and climate and energy policy, overall. Below is a non-exhaustive list:

1.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 $280 million to date. Currently, there are 16 equity projects at various stages of implementation from awards pending to projects up and running. Projects range from scrap and replace programs that give low- income individuals vouchers of up to $9,500 for new or used EVs to electric carsharing projects in disadvantaged communities to clean agriculture worker vanpools in the central valley.

2. SB 350 Transportation Electrification Equity Provisions: Finds and declares that "widespread 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).

3. SB 350 Transportation Electrification 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 were revised to increase EV access in disadvantaged communities: 14 of the 15 projects will directly benefit DACs in some form.

4. SB 350 Transportation Electrification Standard Review Projects: The CPUC approved four projects with budgets totaling $738 million 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 were revised to ensure disadvantaged communities benefited: SCE's Medium-Duty/Heavy- Duty (MD/HD) EV Infrastructure Program– CPUC approved $343M for this program with a minimum of 40% committed to DACs ($137.2M); PG&E's MD/HD EV Infrastructure Program– CPUC approved $236M for this program with a minimum of 25% committed to DACs ($59M); PG&E's Fast Charging Infrastructure Program – the proposed decision approved $22.4M for this program with a minimum of 25% committed to DACs ($5.6M); SDG&E's Residential Charging Program – the proposed decision approved $137M for this program with a minimum of 25% committed to DACs ($34.25M).

5. 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.

6. 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.

7. 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.

8. 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.

9. SB 92: Requires that the Air Resources Board strive to ensure at least 35% of funds from Volkswagen's ("VW") ZEV Investment plan benefits low-income and disadvantaged communities.

10. VW ZEV Investment Plan Cycle 1 and Cycle 2: For Cycle 1, Electrify America anticipates that 35% of their investment will be in low-income and disadvantaged communities across all its investment categories. For Cycle 2, Electrify America's plan commits to exceed the 35% minimum investment in low-income and disadvantaged communities.

11. VW Environmental Mitigation Trust: CARB's Mitigation Trust Plan designates 57.5% (172.5M) of the $300 million allocated for ZEV infrastructure to low-income and disadvantaged communities.

12. 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.

13. Transformative Climate Communities ("TCC"): TCC has become an equity gold standard program. "TCC funds community-led development and infrastructure projects that achieve major environmental, health, and economic benefits in California's most disadvantaged communities. Funded by California's Cap-and-Trade Program, TCC empowers the communities most impacted by pollution to choose their community driven solutions that best address their specific needs.

14. 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.

15. 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.

16. 16. 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.

17. 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. The group has also

developed an "equity framework." SB 350 also mandated the development of the Energy Equity Indicators, which includes metrics for transportation electrification. If additional or other metrics are needed for transportation electrification, the TEF process could be one channel through which those changes are advanced. Alternatively, if the Disadvantaged Communities Advisory Group indicated to the CPUC that certain metrics related to transportation should be taken into account, that should also affect the final TEF.

18. Environmental and Social Justice Action Plan: "This Action Plan will serve as a roadmap for implementing [the Commission's] vision to advance equity in its programs and policies for Environmental Justice and Social Justice (ESJ) Communities. Developing and articulating objectives and actions are necessary to achieve the state's equity goals. This will allow those most impacted by the CPUC's decisions to participate in the most effective ways possible."

19. Government Alliance on Race and Equity (GARE) Capitol Cohort Pilot: The GARE "Capitol Cohort Pilot builds the capacity of California's state government agencies and departments to advance racial equity. Over 200 staff have participated, representing 18 departments and agencies. In 2018, department teams developed racial equity action plans that outline action steps toward increasing equity through organizational commitments, stakeholder engagement practices, workforce development, program planning, and other priorities within their respective departments. In 2019, participants are working with their leadership to operationalize and implement these racial equity action plans."

VIII. CONCLUSION

Incorporating these comments will ensure the TEF maximizes societal good, promotes social and economic justice, and aligns with California's growing climate and energy equity efforts.

Respectfully,

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