# DRAFT INTERIM REPORT FORM THE COMMUNITY ADVISORY COMMITTEE SUBCOMMITTEE ON UNDERSERVED COMMUNITIES
## August 25, 2023

**Introduction.** The subcommittee on underserved communities (the subcommittee) sets forth the following recommendations for consideration by the full committee, and as approved by the full committee, for transmission to the CEA Board of Directors. In the opinion of the subcommittee these recommendations are consistent with the governing terms of the CEA Joint Powers Agreement (JPA), the CEA Bylaws, and with the CEA Board adopted policies governing the Community Advisory Committee.

**Goals.**
- To help identify underserved communities in the CEA member agency jurisdictions that have obstacles and additional hurdles to securing green affordable power.
- To identify funding and other opportunities for programs targeted to assist these communities.
- Per the JPA Agreement to ensure that any such programs and resources are available across all CEA member jurisdictions in a "…balanced distribution of program and project benefits substantially commensurate with each Party's energy load ('balanced distribution')"

**RECOMMENDATIONS**

1**. Identifying Underserved Communities**. The subcommittee reviewed many approaches to identifying underserved communities and experimented with definitions of what being an "underserved community" would mean in CEA's member agencies. We reviewed what some other CEA's have done although more could be done through CalCCA. We reviewed the Cal Enviroscreen approach, The HUD approach, SANDAG definitions, 211 community profiles, and more.  None squarely fits our goals. Accordingly we adopted the following working definition:

> An **"**Underserved Community" for CEA purposes is a definable geographic community or demographic that faces additional barriers beyond the ordinary in dealing with climate change and with upgrading electrical service to CEA's 100% Clean service option.

2. **Locating Underserved Communities**. We recommend use of the California Healthy Places Index. (HPI) as a starting point. This index identifies communities facing a variety of challenges, including health, climate, and economics. As described on its website:

*The California Healthy Places Index, developed by the [Public Health Alliance of Southern California](#) and visualized by [Axis Maps](#), is a powerful tool to explore the community conditions that impact life expectancy. We created the HPI to disrupt structural inequities by using data to create change. The HPI helps prioritize public and private investments, resources, and programs in neighborhoods where they are needed most.*

*…*

*The HPI combines 25 community characteristics, like access to healthcare, housing, education, and more, into a single indexed HPI score. The healthier a community, the higher the HPI score. The HPI applies a positive frame focusing on assets a community has they can build on, rather than what is lacking. Each HPI indicator is linked to our Policy Action Guide, which highlights equitable solutions to improving community health.*
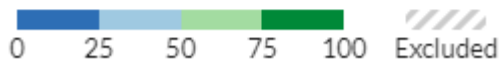
The map below color codes affected areas in the CEA jurisdiction.. A link to the interactive map is here: https://map.healthyplacesindex.org/?redirect=false. The map key is:
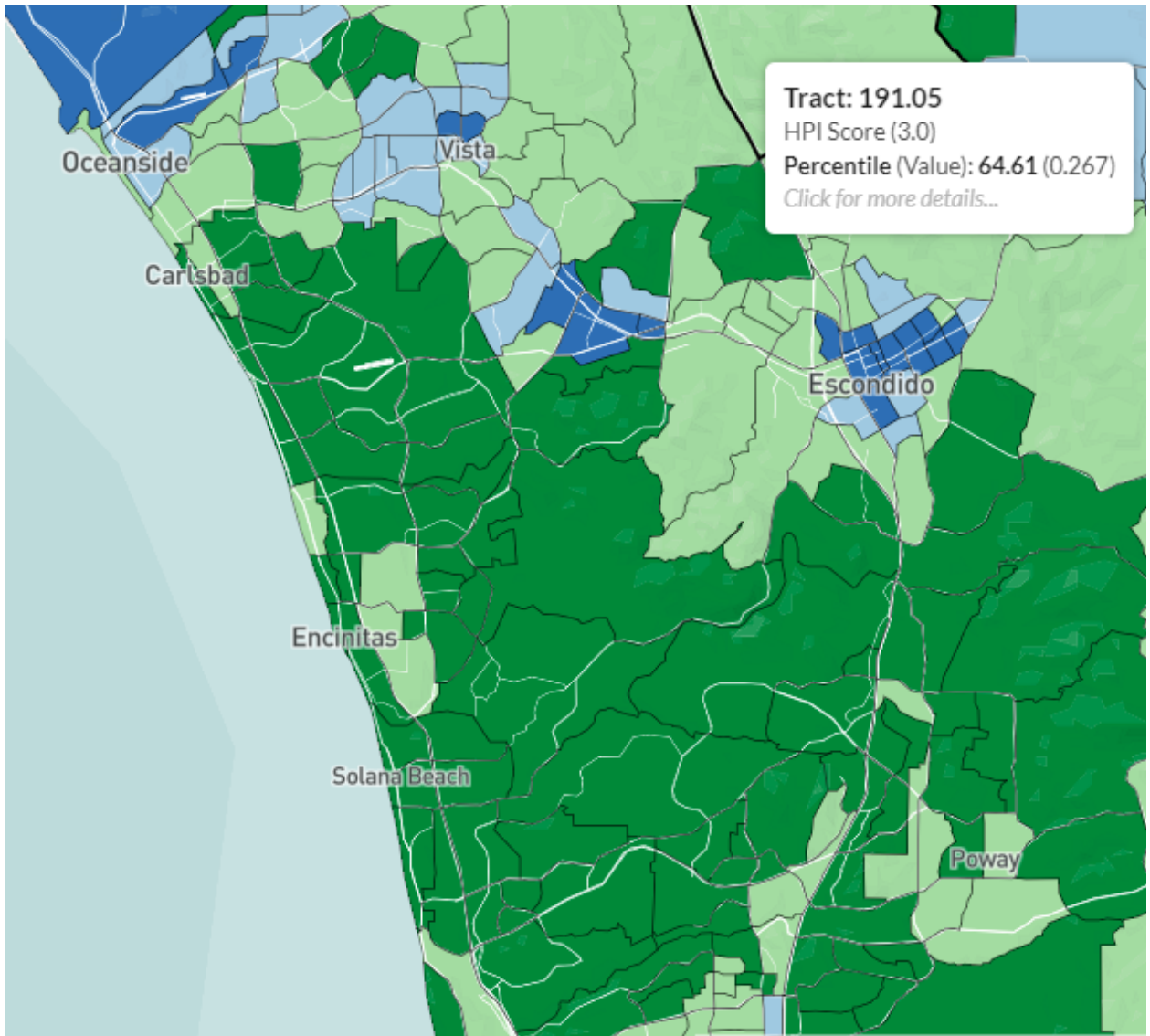
## HPI Score (3.0)

Percentile Ranking

Less → More healthy community conditions

| 0 | 25 | 50 | 75 | 100 | Excluded |

Our recommendation is that the CEA members focus on the dark and light blue areas.

Tract: 191.05
HPI Score (3.0)
Percentile (Value): 64.61 (0.267)
*Click for more details...*

**JPA Compliance**. To achieve JPA compliance resources must be equitably distributed across all member agencies in rough proportion to their electrical load. Accordingly, for those CEA member agencies that do not have equal light blue or dark blue areas we recommend each member agency identify communities in its jurisdiction that face additional barriers beyond the normal. Criteria might include:

- **Low income status**. Some communities have seniors and others living on fixed incomes who qualify as "low income."
- **Geographic challenges**. Some communities may face additional impediments such as access to solar.
- **Housing challenges**. Some communities may have additional barriers to receiving 100% clean energy from CEA due to large numbers of multi-family units, mobile homes, Tribal,

farm worker, and other kinds of housing. For example, in apartments electrical service is typically sold to the building owner and then distributed to the tenant units making provision of solar panels and opting up to 100% renewable energy by tenants more complex.  The same may be true of some mobile home parks.

- **Multifamily and mobile home parks also raise the challenge of divided benefit.** If the property owner provides the electric service, he/she is incentivized to upgrade to save money. But, if the tenants don't pay for electrical service they have no incentive to conserve, other than the indirect impact of rising rents if utility bills are high for the landlord. On the other hand if tenants pay directly for electricity they are incentivized to buy efficient appliances and to conserve, but the landlord who does not get the bills has no incentive to upgrade the building.

- The task is to find a way to cross this barrier and incentivize both parties. Some ideas:
    - Discussing this issue with landlord and tenant organizations could be productive.
    - The subcommittee has looked and can find no working model to successfully address this topic. That doesn't mean there isn't one, it just means we have looked but not found one.
    - CEA could encourage a private arrangement between landlords and tenants as part of their lease agreements to incentivize both sides. Perhaps by sharing between the tenant and landlord rent savings resulting from efficiency measures and going 100% green.

    Here is a link to one article with some tips on addressing multi family housing issues: https://energycenter.org/thought-leadership/blog/5-lessons-successful-solar-multifamily-affordable-housing

- **Business Issues**. Some communities may face additional challenges in their business communities. Shopping centers and many business areas are populated by businesses run by tenants who are not the property owner. This adds complexities to access to solar at the tenant level and to upgrading to 100% renewable energy. Some businesses may cater to the underserved or be operated by the underserved even if they don't live in the immediate area.

- **Non Profits**. Some communities may contain nonprofit organizations catering to the underserved who themselves may need assistance. For example, the Community Resource Center has retail locations in Encinitas, San Marcos, and Carlsbad. Goodwill has 28 retail outlets in San Diego County, including in the CEA member cities of Encinitas, San Marcos, Escondido, Vista, and Oceanside.

- **CARE and FERA Participants**.  Participants in these programs are by definition "underserved" as they have qualified for these assistance programs.

Each CEA member Agency is best positioned to identify the areas of need in its community. The Community Advisory Committee can help in that effort if asked.

3. **Assisting Underserved Communities**

The committee has identified the following options for providing assistance to underserved communities. There may be others, and all may not be appropriate in every circumstance. These options are identified as a starting point for more in depth review in each member city of CEA.

A. **Direct Financial Aid.**  Providing direct financial aid to CEA customers to bridge the gap between their cost of CEA's most affordable power rate called "Clean Impact" (50% renewable energy) and the CEA default power rate called "Clean Impact Plus" (50% renewable energy and 75% carbon free) and the desired 100% renewal energy product called "Green Impact" (100% renewable energy) is one way to encourage upgrading to the Green Impact option by covering all or some of the cost differential.

CEA's rate structure varies in each category based on a number of factors[1], so it is challenging to calculate one fixed rate for each of these products.

Once the number of customers to receive this benefit is determined, the cost of this option can be approximated for a given population. Some caveats: (1) Ideally this program should be ongoing and thus incurs ongoing cost (2) The mechanism to implement the subsidy needs to be identified and may itself involve cost (3) It may be necessary to document the public benefit in making the subsidies to avoid claims of a gift of public funds (4) Customers qualified to receive the benefit may experience changed circumstances that cause them to no longer qualify, so some type of ongoing verification of qualifications may be needed.

There are also tax incentives (currently available) and rebates (available in 2024) to help with the cost of energy efficient, upgrades, and converting to electric.  For example the Federal Inflation Reduction Act has two programs:

1. The Home Efficiency Rebates Program, which offers up to $8,000 per household,
2. The Home Electrification and Appliance Rebates program, which provides up to $14,000 per household.

As of this writing the current timeline for these programs is:
**Expected Timeline for California IRA Residential Energy Rebates**
- July 2023: DOE guidance available to States to apply for funding for IRA residential energy rebate programs and contractor training

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[1] See the CEA website at https://thecleanenergyalliance.org/clean-impact/ for a discussion of the details of the rate structure.

- 2023: CEC workshops and program development (currently no workshops scheduled on their website)
- 2024: Programs launch and rebates available to the public

B. **Financing Options**

(1) **Grants.** There are a number of federal, state, and local granting agencies and funding sources, including CEA itself that could be a source for funding.

(2) **Public Private Partnerships**. There may be opportunities for a city or CEA to partner with private for profit or nonprofit entities to provide funding.

(3) **Impact Fees.** For those cities with a binding Climate Action Plan that calls for reduction of GHG emissions fees could be imposed on development projects to receive "credits" for GHG reduction by funding this program. The same may be possible through the use of CEQA. Caveats: (1) Imposition of fees on development projects is highly regulated by state and local law (2) some types of cost impositions may be subject to Prop 218 or a local mandate that requires a public vote. Attorney review would be advised before pursuing this option.

C. **Non-Financial Options**

(1) **Club Membership With Perks.** A CEA Clean Energy Champion Club could be established with all customers in the Green Impact category receiving membership. Perks could be provided to club members, perhaps a tee shirt, cap, mug, license plate cover, or sticker.

(2) **Clean Energy champion Certification for Businesses.** A program could be established to certify a business as compliant with CEA's Green Impact option and as a supporter of clean energy. Window stickers or signs for display at the establishment could be provided. CEA could host a webpage listing all participating businesses and could issue releases on how to shop and find participating members. CEA could feature a profile on a different Clean Energy Champion in its newsletter, social media, and web postings. The program could be modelled on the Surfrider Foundation's Ocean Friendly Restaurant Program[2].

(3) **Schools.** Information packets could be prepared and distributed to schools serving underserved communities explaining the benefits of CEA's Green Impact product. This could be an effective way to recruit parents and families, through their kids and their teachers, to opt up to 100% clean energy.

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[2] See https://www.surfrider.org/programs/ocean-friendly-restaurants. The Surfrider Ocean Friendly Restaurant Program has 433 certified restaurants and counting.

**(4) CEA member cities upgrading to 100% clean energy.** Each CEA member city will decide what power purchase option to select for its city needs. If all the CEA cities opted up to 100% green that could incentivize other customers to do the same. If a CEA city opts for a lesser power choice that may make it harder to convince others to opt up to 100% green.