

## ENERGY JUSTICE STATEMENT ON ROOFTOP SOLAR & DISTRIBUTED GENERATION IN CALIFORNIA

### Historic Inequalities in Access to Clean Energy

Communities are being bombarded by cumulative and intersecting energy pressures: an affordability crisis, rising rates, major utility debt, economic insecurity, and ongoing power outages. In the face of intensifying climate impacts and the need for rapid decarbonization, Net Energy Metering (NEM) policies have supported tremendous growth of distributed solar resources, making California a national leader and helping to dramatically improve the economics of distributed generation and rooftop solar. Due to the intersectional impacts of redlining, California's inequitable energy policies, and ongoing oppression, however, environmental justice (EJ) communities have experienced structural barriers in accessing and benefiting from NEM. Data shows that NEM disproportionately benefits wealthier, white, single-family homeowners.<sup>1</sup> By its very design, NEM has not enabled rooftop solar to adequately penetrate EJ communities. Despite representing 25% of the State's population, only 11-12% of households living in disadvantaged communities (DACs) in California are on NEM rates.<sup>2</sup>

### Energy Democracy and Community-Based Leadership

The undersigned organizations honor, uphold, and practice values around community power-building, environmental and economic justice, racial equity, and energy democracy.<sup>3</sup> We lead with values of self-determination in deciding where our energy comes from and how the energy system impacts our communities. The communities we organize with and advocate alongside speak on their own behalf. Our voices will not be co-opted by external parties and interests that do not directly represent us or speak for us. We fight to maintain ownership and autonomy over the policy decisions that impact our communities' daily lives.

As the NEM debate continues to progress in CA, it is imperative that the State authentically center and prioritize the needs of the communities most harmed by historic pollution and the extractive energy system. We hope to see an outcome shaped by democratic decision-making that meaningfully listens to the perspectives and expertise of grassroots EJ and equity advocates, ensuring our communities have the power to shape and influence the path forward.

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<sup>1</sup> Barbose, Galen L., et al. [Residential Solar-Adopter Income and Demographic Trends: 2021 Update](#). Lawrence Berkeley National Lab.(LBNL), Berkeley, CA, 2021.

<sup>2</sup> California Public Utilities Commission. [Net Energy Metering 2.0 Lookback Study](#). January 2021, p. 37.

<sup>3</sup> Center for Earth, Energy and Democracy and the Climate Justice Alliance Energy Democracy Working Group. [Ten Principles for Energy Democracy](#)

## Our Communities Have Unique Needs and Require Innovative Solutions

Enabling equitable access to distributed energy resources requires a deep understanding of the distinct challenges our communities face as well as the community-led solutions that can address them. For example, the vast majority of the people living in the communities we represent are renters who live in older buildings, multifamily affordable housing, or mobile homes. We organize across urban areas, urbanized unincorporated communities, remote, and rural communities. Many community residents lack upfront capital, credit, and property ownership, which restricts the feasibility of clean energy technology deployment under current state programs and policy approaches.<sup>4</sup> These conditions underline the structural barriers and needs as related to deployment of distributed energy resources.

## Our Vision for Transformative Change

We demand targeted investments in distributed clean energy in order to enable clean and healthy communities and deliver tangible improvements in air quality, public health, and economic conditions. We envision climate-resilient communities that are not only equipped to respond when crisis hits, but that are resourced with the economic protections and social supports to thrive everyday. We push for the rapid deployment of distributed clean energy solutions directly in our neighborhoods to combat the health impacts of pollution, prevent rolling blackouts, enable grid resilience and safety, build community wealth, and ensure working class communities of color remain rooted in our neighborhoods.

The following principles and policy priorities uplift strategies and approaches to enable this vision. These priorities were generated through a series of deep strategic discussions anchored by environmental justice groups as well as racial and economic equity advocates. We offer these principles, priorities, and strategies as a holistic lens to evaluate and inform future proposals. We are not fully endorsing or rejecting any existing related proposals with this document. It also does not exhaustively capture all of our specific demands within various advocacy realms and issue areas. In our assessment, significant transformation, evolution, and new community-led creative solutions are necessary to achieve energy justice in California. We hope this document helps us move toward that equitable future.

**Targeted Clean Energy Investments in EJ Communities.** *Prioritize investments for the communities with the least resources and who have borne the burden of extraction and systematic discrimination.*

- On the path to the State's clean energy and decarbonization goals and consistent with federal equity targets, we demand that strategies are deployed to achieve a bold and ambitious statewide solar adoption target of 40% in disadvantaged communities (DACs) by 2030.<sup>5</sup>

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<sup>4</sup> California Energy Commission & California Public Utilities Commission. [SB 350 Low-Income Barriers Study, Part A: Overcoming Barriers to Energy Efficiency and Renewables for Low-income Customers and Small Business Contracting Opportunities in Disadvantaged Communities Barriers Study](#). December 2016.

<sup>5</sup> The White House. [Executive Order \(14008\) "Tackling the Climate Crisis at Home and Abroad"](#). January 2021. Aims to secure environmental justice by creating a government-wide Justice40 Initiative with the goal of delivering 40 percent of the overall benefits of relevant federal investments to disadvantaged communities.

- We have seen various definitions that have been applied when referring to EJ communities and low-income customers. While different programs may apply to different households and communities, we recommend prioritizing protections and incentives for the following set of communities:
  - Disadvantaged communities (DACs) as identified by CalEPA pursuant to Health and Safety Code Section 39711 as well as the 22 census tracts that have the 5 percent highest pollution score but not socioeconomic data (based on CalEnviroScreen 3.0)
  - Low-income customers as defined by CARE and FERA eligibility as well as those that have household incomes at or below 80 percent of the area median income (AMI) as determined by the Department of Housing and Community Development (HCD)
  - All Tribal lands
  - SOMAH-eligible properties as defined by the [SOMAH Program Handbook](#)
  - Census tracts with low historic adoption rates as determined by the CPUC
  - Pollution-burdened rural and unincorporated communities whose pollution burden is not reflected in census tract level data
- Create equity funds that dedicate resources exclusively for the purpose of enabling greater access to community-led clean energy projects in EJ communities.
  - We support ongoing development of proposals to create such dedicated funding streams and reinforce the need for community input from grassroots EJ and equity advocates in order to inform specific program design and funding distribution.
- Prioritize direct investments in EJ communities and households without placing discriminatory, exclusionary, expensive, time-consuming and unnecessary administrative burdens on intended beneficiaries.
  - Limit the use of income verification, means testing, and inaccessible applications for targeted investments in EJ communities.
  - When possible, directly apply benefits and investments to interested EJ communities and households.
  - Permit self-certification for any qualification determinations over discriminatory application processes.

**Ensuring Equitable Access to Benefits Based on Diverse Conditions.** *Clean energy investments must be designed based on our unique community needs and neighborhood contexts.*

- There is no one-size-fits-all model given the diversity of communities, housing type, household characteristics, financing, ownership structures, and other factors to consider in program design.
- **Solar on Multifamily Affordable Housing (SOMAH).** The SOMAH program is a model for equitable program design that reaches many of our communities who have been historically left out. The program effectively reaches many tenants living in multifamily affordable housing and embeds authentic community partnership and leadership into the program structure.

- We will continue to invest in the SOMAH program and push to make it more inclusive and reach our most impacted communities. This includes creating pathways for tenants living in non-deed restricted properties to access the program with protections in place against rent increases.
- **Community Solar.** We support ongoing development of proposals to better enable renters as well as residents living in older housing to access community solar projects towards the goal of reaching equitable adoption targets in EJ communities.
  - We simultaneously call for improvements to the current NEM alternative offerings, namely the *Community Solar-Green Tariff (CS-GT)*, which as currently administered by the IOUs is failing to reach our communities and enable local, community-driven projects.
    - We urge the CPUC to conduct a comprehensive program assessment and strengthen the program design to improve access and encourage meaningful involvement of community-based organizations (CBOs), nonprofits, and other local service providers.
    - The program must be improved to eliminate administrative burden. The application requirements are overburdensome and are shutting out many communities from program access. Technical assistance offerings through third-party administrative partners, capacity-building workshops and training could help community stakeholders better engage in and apply to the program.
- **Housing & Structural Upgrades.** Structural and design issues in older housing result in remediation costs that make clean energy upgrades prohibitively expensive. Therefore, our communities need targeted investments in housing quality, roof repair, structural redesign, and other building upgrades towards habitable affordable housing in order to make possible access to solar and other energy retrofits. Complementary investments in grid capacity are also needed especially for remote, rural, and mobile home communities.
- **Community-Led and Beneficial Pilots.** Current program offerings cannot reach existing diverse conditions in EJ communities across the state. Additional programs, policies and innovative community-led, localized approaches are needed. The creation and expansion of these programs, policies and approaches requires greater investments, analysis, and evaluation in EJ communities. Historic disinvestment and prioritization of wealthier earlier adopters in market transformation policies contribute to significant data gaps on scalable equitable and affordable benefits. California must invest in new community-led approaches.<sup>6</sup>

**Maintaining Affordability and Economic Protections.** *All EJ communities and low-income customers must be protected from rate increases to ensure affordable access to energy.*

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<sup>6</sup> See [San Joaquin Affordable Energy Pilots, R.15-03-010 implementing AB 2672 \(Perea, 2014\)](#). CPUC

- Rates are projected to continue increasing thereby exacerbating damaging and unsustainable burdens on low-income households.<sup>7</sup>
- Upfront costs are one of the most significant and prohibitive barriers that prevent low-income households from benefiting from clean energy technologies and programs. Additionally, poor credit and lack of collateral further restrict access to financing options for working class families.
- Working class communities of color are already burdened by pollution and economic insecurity; they must not also be saddled with high prices for energy during the transition towards clean renewable energy.
- We recommend maintaining the NEM 2.0 tariff for all existing customers located in DACs (including community, cooperative, government, and non-profit customers), low-income customers (as defined above), and tenants living in SOMAH-eligible properties.
  - In order to ensure these customers fully benefit from the program, these rates must be maintained for a sufficient duration. All new customers in these categories must be prioritized for economic protections as rates evolve and program design shifts.
  - These customers must also be exempt from additional fixed charges.

**Promote High-Road Jobs, Workforce Development, and Family-Sustaining Wages.** *Clean energy projects must support high-road labor and job quality standards, including family-sustaining wages and employer-provided benefits, career pathways, and safe and healthy working conditions.*

- Ensure access to high-quality jobs through existing, successful workforce training and apprenticeship programs that lead to placement in career-track employment opportunities.
- Integrate policies such as targeted hiring especially for folks traditionally left out of the clean energy workforce (e.g., formerly incarcerated, EJ communities, women, immigrant and refugee communities, communities of color).
- Develop inclusive workers protections and on-site safety protocol, including strong anti-discrimination policies.
- Create opportunities to include local trades and labor partners in conversations about shaping the clean energy workforce.
- Ensure that jobs come with life- and family-sustaining wages that are not only sufficient for basic household necessities, but allow workers and families to thrive with a financially secure future.<sup>8</sup>

**Support Community Resilience to Climate Change.** *Clean energy investments must prioritize protecting communities from intensifying climate disasters such as extreme heat, power outages, and wildfires.*

- Clean energy investments must integrate and leverage a broad set of distributed energy resources beyond rooftop solar (e.g., energy efficiency, battery storage, microgrids, building retrofits, community resilience hubs) in order to maximize economic benefits and promote

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<sup>7</sup> “Looking forward, the paper’s 10-year baseline forecast shows steady growth in customer rates (nominal \$/kWh) between 2020 and 2030 for the three IOUs.” CPUC, [Utility Costs and Affordability of the Grid of the Future](#), (February 2021).

<sup>8</sup> See <https://calbudgetcenter.org/wp-content/uploads/Making-Ends-Meet-12072017.pdf>

climate resilience during power outages for critical community facilities and vulnerable households.

- We support ongoing developments of proposals to create pathways to over-build solar beyond annual on-site use in order to ensure sufficient generation to repower battery systems for resilience in the case of power outages and rolling blackouts.
- Other resilience considerations include:
  - Exploring incentives to integrate other distributed clean energy resources (e.g., energy efficiency, battery storage, microgrids) due to minimized reliance on riskier transmission lines and other benefits.
  - Ensuring strategies to encourage battery storage adoption are inclusive of the needs of low-income customers through targeted upfront financial incentives.

**Prioritize Community Ownership and Governance.** *Clean energy projects must explore community ownership models that enable cost savings, wealth-building opportunities, and community governance.*

- We demand increased public investment and prioritization of community-owned, controlled, local, and distributed energy systems and technologies.
- We demand community control of our energy system as well as clear pathways for deep community engagement and governance in clean energy projects and programs.
- We support ongoing developments of proposals to incentivize distributed generation projects that are owned and controlled by the community.

**Protect Our Communities Against Harms.** *Clean energy investments must address and avoid unintended consequences such as economic displacement or increased exposure to toxics and other health risks.*

- **False Dirty Energy Solutions.** We reject false dirty energy solutions that worsen disproportionate health burdens and harms and allow for the maintenance or any further investments in natural gas and diesel backup generators, especially within disadvantaged communities.
- **Rent Increases & Displacement Pressures.** Amidst worsening housing unaffordability, there is a critical need to explicitly embed tenant protections and anti-displacement requirements for existing residents in the design of any program delivering clean energy investments and technology deployment in order to safeguard against gentrification and protect renters from rent increases and related pressures.

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