BEFORE THE PUBLIC UTILITIES COMMISSION OF THE

STATE OF CALIFORNIA

Application of Southern California Edison Company (U 338-E) For Review of the Disadvantaged Communities-Green Tariff (DAC-GT), Community Solar Green Tariff (CSGT), and Green Tariff Shared Renewables (GTSR) Programs.	Application No. 22-05-024 (Filed May 31, 2022)

CENTER FOR BIOLOGICAL DIVERSITY RESPONSE TO GREEN ACCESS PROGRAMS APPLICATION

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Pursuant to Rule 2.6 of the California Public Utilities Commission's ("the Commission") Rules of Practice and Procedure, the Center for Biological Diversity ("the Center") respectfully submits this Response to SCE's Application for Review of the Disadvantaged Communities Green Tariff ("DAC-GT"), the Community Solar Green Tariff ("CSGT"), and the Green Tariff Shared Renewable ("GTSR") (Green Access Programs) pursuant to Decisions 18-06-027 and 21-12-036.

I. INTRODUCTION

The Center is a non-profit membership organization advancing the conservation of endangered species and the protection of their habitats against the climate emergency. As part of that that mission, the Center strives to reduce the environmental impacts of energy policy and development, including greenhouse gas emissions and harm to imperiled plants and wildlife, and overcome barriers to clean energy resources in disadvantaged communities ("DACs").

The DAC-GT, CSGT, and GTSR (Green Access Programs, "GAP") have the same primary goal of expanding access to renewable energy resources to customers who are unable to make use of onsite generation. In 2015, the Commission established the GTSR program pursuant to Senate Bill ("SB") 43.[1] The GTSR program has a Green Tariff (GT) option and an Enhanced Community Renewables ("ECR") option. The program has a 600 MW capped enrollment with a 100 MW Environmental Justice ("EJ") reservation. To date, of the 100 MW EJ reservation, only 2 MW have been procured for the GT option and zero MW have been procured for the ECR option.[2] In 2018, the Commission also established the DAC-GT and CSGT programs.[3] As of December 31, 2021, PG&E was the only Investor-Owned Utility ("IOU") to have procured MW capacity or have customers subscribed.[4] However, the procurement was only 28.76 MW for DAC-GT and again zero MW for the CSGT program.[5] SCE's and SDG&E's capacity procured was zero MW and both IOUs had zero customers subscribed for both programs.[6] All of the IOUs had zero MW of capacity online as of December 31, 2021.[7]

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[1] D.15-01-051.

[2] Cal. Pub. Util, Comm'n, Green Tariff/Shared Renewables Program (GTSR), https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-rates/green-tariff-shared-renewables-program (last accessed June 29, 2022).

[3] D.18-06-027.

[4] Pac. Gas and Elec. Co., Quarterly Disadvantaged Communities Green Tariff and Community Solar Green Tariff Programs Report of Pac. Gas and Elec. Co. (U 39-E) for the Period of Oct. 1, 2021 – Dec. 31, 2021, Attachment at 2 (Jan. 2022).

[5] *Id.*

[6] S. Cal. Edison Co., S. Cal. Edison Co.'s Disadvantaged Communities Green Tariff and Community Solar Green Tariff Fourth Quarter 2021 Report at 2; San Diego Gas and Elec. Co., Quarterly Disadvantaged Communities Green Tariff and Community Solar Green Tariff Programs Report of San Diego Gas and Elec. Co. (U 902 E) Q4 2021 (Jan 2022) at 1.

[7] Pac. Gas and Elec. Co., Quarterly Disadvantaged Communities Green Tariff and Community Solar Green Tariff Programs Report of Pac. Gas and Elec. Co. (U 39-E) for the Period of Oct. 1, 2021 – Dec. 31, 2021, Attachment at 2 (Jan. 2022); S. Cal. Edison Co., S. Cal. Edison Co.'s Disadvantaged Communities Green Tariff and Community Solar Green Tariff Fourth Quarter 2021 Report at 2; San Diego Gas and Elec. Co., Quarterly Disadvantaged Communities Green Tariff and Community Solar Green Tariff Programs Report of San Diego Gas and Elec. Co. (U 902 E) Q4 2021 (Jan 2022) at 1.

Pursuant to Decision ("D.") 18-06-027, each IOU was to file an Application for Review of the DAC-GT and CSGT programs by January 2021.[8] That deadline was later extended to June 2022. In 2021, the Commission directed the IOUs to also include GTSR program implementation details in their applications.[9] The Commission's Energy Division provided a Guidance Document for the DAC-GT and CSGT Program 2022 Applications for Review ("Guidance Document") to the IOUs to ensure the applications report and provide insightful reflection upon the GAP's administration, goals, barriers, and structure, including the GTSR program.[10] The Commission contracted Evergreen Economics to provide a process evaluation of the DAC-GT and CSGT programs. In March 2022, Evergreen Economics issued its final Process Evaluation ("the Evaluation").[11] The Evaluation stressed the importance of numerous program modification recommendations based on the programs' poor performance. On May 31, 2022, Pacific Gas & Electric Company ("PG&E"), Southern California Edison ("SCE"), and San Diego Gas & Electric Company ("SDG&E") filed these applications pursuant to D.18-06-027 and D.21-12-036.

Community solar is vital to ensuring a cleaner, more reliable energy future for Californians and that disadvantaged communities ("DACs") are not left behind as the State moves towards its clean energy targets. It is imperative for the Commission to improve this

[8] *Supra* fn. 3

[9] D.21-12-036 at 15.

[10] Energy Div., Cal. Pub. Utils. Comm'n, Guidance Document For The Disadvantaged Communities Green Tariff (DAC-GT) and Cmty. Solar Green Tariff (CSGT) Program 2022 Applications For Review (Sept. 2021) https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/solar-in-disadvantaged-communities/2022-gap-applications-guidance-template.pdf

[11] Evergreen Econ., Process Evaluation of the Disadvantaged Communities Green Tariff and Cmty. Solar Green Tariff Programs (Mar. 2022), https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/solar-in-disadvantaged-communities/dac-gt-and-csgt-evaluation-final-report_033122v2.pdf.

failed program and for the IOUs to adhere to recommendations that will improve program performance, especially in DACs.

In the Guidance Document, the Energy Division "respectfully request[ed] that the IOUs follow the guidelines as closely as possible to allow for an efficient application review and analysis."[12] However, the applications do not adequately address two essential considerations. First, there is no consideration given to modifying the treatment of the Power Charge Indifference Adjustment ("PCIA") in the programs. Second, none of the applications provided suggestions for expanding program access to all tribal communities in California. Finally, the applications omit discussion of the benefits of community solar, such as reduced local pollution and avoided costs of other generation sources and associated infrastructure costs. Accordingly, the Center submits this response and respectfully requests that the Commission ensure these issues are in the scope of review of the applications.

II. DESPITE SPECIFIC DIRECTION, THE APPLICATIONS FAIL TO PROPOSE MODIFICATIONS TO THE POWER CHARGE INDIFFERENCE ADJUSTMENT IN THE PROGRAM.

The PCIA, an exit fee imposed on participating ratepayers, acts as substantial barrier to the ECR program's success.[13] Not only does the very existence of an exit fee ideologically conflict with the very purpose of the program, but it also creates both an immediate and future financial burden on DAC ratepayers for participating in the program. Further, as history has shown, the volatility of the PCIA creates a significant hurdle to the ECR's future. The Rate Design Principles adopted by the Commission in D.15-07-001 dictate that "[r]ates should be stable and understandable and provide customer choice."[14] Developer, financier, and customer

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[12] *Supra* fn. 10.
[13] *Id.*
[14] D.15-07-001 at 27.

uncertainty about the PCIA disincentivizes participation in the program as not only is there no assurance of consistent savings but participation may lead to premium pricing. In its SB 350 Barriers Study, the California Energy Commission identified affordability and uncertainty as two of the main barriers for DAC energy consumers in moving to renewable energy sources.[15] The Commission's recognition that the PCIA is an "imperfect solution"[16] to nonparticipating ratepayer indifference is likely why Section C (iii) of the Guidance Document specifically directs the IOUs to, "[c]onsider whether the cost-effectiveness proxy (currently the Power Charge Indifference Adjustment PCIA) might be updated and present options to do so."[17] Yet none of the applications provide any guidance on how the PCIA could be modified to address this issue.

By adopting the PCIA but providing "no credit for avoided costs associated with appropriate deployment of distributed generation," the Commission failed to consider the real-world benefits to ratepayers.[18] The Commission noted in Res. E-5028 that the Distributed Energy Resources Avoided Cost Calculator ("ACC") "could provide a better cost-based indifference charge rather than using the PCIA as a proxy," and that potential application of the test to replace the PCIA "merits further discussion." The resolution went on to suggest that IOUs may use the ACC tool to propose avoided costs that may have been overlooked.[19] If the Commission considers using the ACC as a replacement for the PCIA, the Commission must also consider the omissions in the ACC as noted below.

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[15] Cal. Energy Comm'n, Low-Income Barriers Study, Part A: Overcoming Barriers to Energy Efficiency and Renewables for Low-Income Customers and Small Bus. Opportunities in Disadvantaged Communities at 2-3, 12-13, 33, 54-55 (Dec. 2016).

[16] Res.E-5028 at 41.

[17] *Supra* fn. 10.

[18] Res.E-5028 at 33.

[19] *Id.* at 34.

The applications make no attempt to address the Guidance Document's direction for proposals to reform the treatment of the PCIA in the community solar programs. Neither SCE nor SDG&E provided consideration of the PCIA or options for updating it, and instead, boldly assert that there is no alternative to the PCIA without providing any support for that proposition. By merely providing an outright denial to entertain[20] the Commission's request, these applications hamper the Commission's ability to effectively evaluate a program defect that disincentivizes enrollment. While PG&E did outline the proposals of other interested stakeholders to use ACC to fully or partially substitute the PCIA and stated it is open to considering such a solution in the testimony supporting its application, it never actually did consider it.[21]

Addressing the affordability of the community solar programs, and in particular the ECR program, is the single most critical issue at stake for the viability of the program and consistency with SB 43. As noted in the California Energy Commission's SB 350 Barriers Study, "community solar offerings organized under the GTSR program may be hindered by included exit fees, which could make community solar more expensive than grid-supplied electricity and out of reach for low-income persons."[22] Quite simply, the PCIA makes "joining a community

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[20] A.22-05-024 Testimony of Southern California Edison Company in Support of Application For Review of the Disadvantaged Communities-Green Tariff (DAC-GT), Community Solar Green Tariff (CSGT), and Green Tariff Shared Renewables (GTSR) Programs (May 31, 2022) at 21; A.22-05-__ San Diego Gas and Elec. Co. Prepared Testimony (May 31, 2022) at 76.

[21] A.22-05-023 Pac. Gas and Elec. Co. Green Access Program (GAP) Plans and Budgets Application For Review Disadvantaged Communities – Green Tariff (DAAC-GT), Community Solar Green Tariff (CS-GT), and Green Tariff Shared Renewables Programs (GTSR) Prepared Testimony (May 31, 2022) at 2-22, 2-23.

[22] *Supra* fn. 15 at 33.

solar program organized under GTSR cost-prohibitive."[23] The Commission must revisit how the PCIA operates with the programs in the scope of review of the applications.

III. THE APPLICATIONS DID NOT MEANINGFULLY DISCUSS EXPANDING TRIBAL ACCESS TO THE PROGRAMS IN ALIGNMENT WITH THE COMMISSION'S GOALS.

The Commission specifically requested the IOUs provide proposals on tribal inclusion yet all of the applications failed to adequately do so, if at all. Section D (ii) of the Guidance Document requests applicants to address, "[e]nhancing program accessibility in underserved communities," and to specifically address, "[h]ow might the GAPs consider increasing access to California Indian Country, other tribal lands or additional areas in service territories where current procurement uptake in underserved communities is low or non-existent?"[24] Thus, the applications should provide alternatives to only using CalEnviroScreen for identification of and proposals to extend the program to all tribal communities within California.

The Commission is clearly cognizant of the deficiencies of CalEnviroScreen in identifying tribal lands. In D.19-09-027, the Commission recognized that, "most if not all of Indian Country in California…do not qualify as 'disadvantaged communities' identified by CalEnviroScreen."[25] While there are currently 109 federally recognized tribes in California, and many more recognized by the State, CalEnviroScreen 4.0 only identifies 11 tribal territories as DACs.[26] Tribal communities in California range in size from 5 – 5,000 members.[27] California has the largest Native American population in the country.[28] The Census tract based method of

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[23] *Id.* at 54-55.
[24] *Supra* fn. 10.
[25] D.19-09-027 at 11.
[26] *See* Jud. Council of Cal., Cal. Tribal Communities, https://www.courts.ca.gov/3066.htm (last accessed June 27, 2022); *Supra* fn. 11 at 29.
[27] *Id.*
[28] *Id.*

CalEnviroScreen is inadequate to identify tribal communities who could substantially benefit from these programs. Additionally, the Commission noted another reason CalEnviroScreen is ill-equipped to identify tribal lands in D.19-09-027 stating, "most of the lands defined as Indian Country are located in remote areas with low levels of industrial pollution and vehicle emissions. However, because of their remoteness, these lands frequently experience poor electric service reliability. They have also suffered from historic neglect."[29] This underscores the importance of opening all clean energy options to tribal communities.

Expansion of the programs to include all tribal communities would be consistent with the intent of the programs and the Commission's own goals, including the Commission's Environmental and Social Justice ("ESJ") Action Plan Goals 1, 2, 4, 5 and 7.[30] The ESJ Action Plan Version 1.0 included all tribal lands in its definition of ESJ Communities, underscoring the Commission's understanding that residents of tribal lands are frequently "underrepresented in the policy setting or decision-making process," "subject to a disproportionate impact from one or more environmental hazards," and are "likely to experience disparate implementation of environmental regulations and socioeconomic investments in their communities."[31] To better align with the stated goals of the Commission, the scope of review of these applications must

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[29] *Supra* fn. 25.

[30] Cal. Pub. Utils. Comm'n, Env't & Soc. Just. Action Plan Version 2.0 at 22-25 (Apr. 2022), https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/news-and-outreach/documents/news-office/key-issues/esj/esj-action-plan-v2jw.pdf

[31] Cal. Pub. Utils. Comm'n, Env't & Soc. Just. Action Plan Version 1.0 at 9 (Apr. 2022), https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/news-and-outreach/documents/news-office/key-issues/esj/environmental-and-social-justice.pdf

include consideration of participation of all tribal communities in California, and also how to overcome the barriers to providing tribal communities access to these programs.[32]

IV. THE APPLICATIONS OMIT KEY BENEFITS OF THE PROGRAMS, SUCH AS REDUCED LOCAL POLLUTION AND AVOIDED ECONOMIC AND NON-ECONOMIC COSTS.

It is unclear whether the Commission will evaluate cost-effectiveness of the community solar programs. The Commission found in D.18-06-027 that the requirement that "total costs to be equivalent to total benefits should not be applied in the development of alternatives for DACs," but noted that the costs and benefits of the programs may be reviewed in this proceeding.[33] However, the cost-effectiveness tests are outdated, using factors that fail to capture the full range of benefits, especially to DACs. These include affordability, local air and water quality, local job creation, and land use implications such as avoided impacts to biodiversity and habitats.

Similarly, the Commission's ACC also does not adequately consider the full range and degree of avoided costs, including substantial transmission, distribution and wildfire mitigation costs. The outdated ACC also omits non-energy benefits and other social costs, such as those above. Meanwhile, costs associated with community solar are continually declining while offering a host of benefits to local communities such as decreased pollution and job creation.[34]

To the extent the Commission relies on the ACC or the current cost-effectiveness tests in its review, the Commission must correct the omissions noted above. Informed decision-making

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[32] *Supra* fn. 11 at 29 (The Tribal Liaison expressed that though different tribal communities would benefit most from different aspects of the program, "most tribal communities would benefit from the DAC-GT and CSGT programs to some degree.").

[33] D.18-06-027 at 10, 54.

[34] Cal. Energy Comm'n, Estimated Cost of New Utility-Scale Generation in Cal.: 2018 Update at 17-19 (May 2019), https://www.energy.ca.gov/sites/default/files/2021-06/CEC-200-2019-005.pdf.

requires that the Commission only evaluate the costs and benefits of the programs if the Commission considers the full range of costs and benefits, especially in regards to DACs.

V. CONCLUSION

For the foregoing reasons, the Center respectfully requests that the Commission consider the above issues in its review of the applications.

Dated: July 1, 2022

Respectfully submitted,

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