

Application No.: 24-12-XXX (CalMTA)

Exhibit No.: MTA-08

Witness: Stacey Hobart

Commissioner:

ALJ:

**CALIFORNIA MARKET TRANSFORMATION ADMINISTRATOR
PREPARED TESTIMONY OF STACEY HOBART**

**BENEFITS TO ENVIRONMENTAL AND SOCIAL JUSTICE (ESJ)
COMMUNITIES**

Application 24-12-XXX

California Market Transformation Administrator (CalMTA)

December 20, 2024

1 **EXHIBIT MTA-08**

2 **BENEFITS TO ENVIRONMENTAL AND SOCIAL JUSTICE (ESJ) COMMUNITIES**

3
4 Q. 1. *What is the purpose of this portion of your testimony in this Application?*

5
6 A. 1. As I have previously indicated, I am Resource Innovations' Principal of
7 Stakeholder Engagement and Communications for CalMTA. This work includes
8 coordinating outreach and engagement with Environmental and Social Justice
9 (ESJ) community representatives for advice and feedback on equity aspects of
10 market transformation initiative development. CalMTA's equity approach intends
11 to further California's and this Commission's goals for equity and the ESJ Action
12 Plan.

13
14 Q. 2. *Please explain how the MTI Plans advance equity for ESJ communities¹ and
15 support the goals and objectives of the ESJ Action Plan?*

16
17 A. 2. Decision 19-12-021 states that MTIs should integrate strategies to address equity
18 and should consider market transformation efforts that maximize energy savings,
19 health, affordability, and job access for disadvantaged communities.² CalMTA
20 seeks to align with the Commission's ESJ Action Plan³ by supporting the Action
21 Plan's goals and incorporating strategies into our MTIs that will benefit what the

¹ The ESJ Action Plan defines ESJ communities as 1) Disadvantaged Communities, defined as census tracts that score in the top 25% of CalEnviroScreen 3.0, along with those that score within the highest 5% of CalEnviroScreen 3.0's Pollution Burden but do not receive an overall CalEnviroScreen score; 2) All Tribal lands; 3) Low-income households (Household incomes below 80 percent of the area median income); and 4) Low-income census tracts (Census tracts where aggregated household incomes are less than 80 percent of area or state median income).

² See D.19-12-021, p. 103.

³ The CPUC's ESJ Action Plan is located here: <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/news-and-outreach/documents/news-office/key-issues/esj/esj-action-plan-v2jw.pdf>.

1 Action Plan terms ESJ communities, that have not always benefited from
2 Commission programs and are underrepresented in the policy making process.⁴

3
4 Recognizing the importance of prioritizing equity in the initiative design approach,
5 CalMTA applies an equity lens across all MTI development activities to: (1)
6 support statewide priorities on equity in addition to energy and climate goals, and
7 (2) ensure MTI outcomes reflect the needs and desires of the communities they
8 benefit. These were developed in partnership with experts in equity program
9 development and implementation and designed to align with the ESJ Action Plan
10 goals and objectives.

11
12 The Room Heat Pump and Induction Cooking MTIs were selected for
13 development in part because they were determined to have a high level of
14 potential benefit to ESJ communities based on the following market
15 understanding:

- 16 • Room heat pumps replace less-efficient window air conditioners and
17 help fill a product gap for ESJ households due to their relative
18 affordability, compared to central or mini-split heat pumps. They are
19 also portable, which makes them more accessible to renters, who
20 represent about 50% of households in California. They can be
21 purchased during climate events and can serve as an entry point to
22 electrification for limited-income customers, particularly with potential
23 product enhancements like air filtration capabilities.
- 24 • Affordability presents a key barrier to the adoption of induction cooking.
25 The health and safety benefits of induction are therefore often beyond
26 the reach of ESJ communities. Strategies designed to bring smaller,

⁴ Goal Five of the ESJ Action Plan is to Enhance outreach and public participation opportunities for ESJ Communities to meaningfully participate in the CPUC's decision-making process and benefit from CPUC programs.

1 lower-priced model options to market, provide battery-enabled products
2 that overcome costly panel upgrades, and increase awareness of the
3 health and safety benefits induction provides would deliver direct value
4 to ESJ communities.

5 Equity is therefore integrated throughout these two MTI Plans and addressed
6 specifically in the following sections of each plan:

- 7 • Important barriers, opportunities, strategic interventions, outputs, and
8 outcomes that are either specific to, or inclusive of, ESJ communities
9 are addressed in the MTI logic models included in Section 2 of the MTI
10 Plan and in Appendix A: Logic Model.
- 11 • More details on ESJ-focused interventions identified for Induction
12 Cooking and Room Heat Pumps are summarized in Section 2.3:
13 Environmental & social justice approach of each MTI Plan.
- 14 • Section 2.4, which focuses on workforce development, includes
15 strategies used to create opportunities for ESJ communities, although
16 limited for these MTIs.
- 17 • Appendix F, which describes the Evaluation Plan for each MTI, includes
18 equity-related performance indicators for each MTI that would be
19 tracked during implementation.

20 While the CPUC’s ESJ Action Plan goals are intended to convey outcomes of that
21 particular plan, there are relationships to the objectives CalMTA’s MTIs are
22 working to achieve related to equity. These include:

- 23 • **Goal 2: Increase investment in clean energy resources to benefit**
24 **ESJ communities, especially to improve local air quality and public**
25 **health.** The state’s investment in the proposed MTIs would yield
26 quantifiable indoor air quality improvement and other health benefits for
27 ESJ communities through electrification of cooking appliances
28 (Induction Cooking MTI) and improved comfort during extreme heat

1 events with efficient room heat pumps for space conditioning (Room
2 Heat Pumps MTI). Section 2.3 of the MTI Plans describes the strategic
3 interventions designed specifically to deliver benefits to ESJ
4 communities, including alignment with and support for existing equity-
5 oriented programs, technology enhancements of particular importance
6 to ESJ communities, and tactics to address affordability barriers.

- 7 • **Goal 4: Increase climate resiliency in ESJ communities.** The
8 Induction Cooking MTI seeks to influence manufacturer development of
9 affordable 120V battery-equipped ranges, as described in Section 2.2 of
10 the plan and in Appendix A: Logic Model – a strategy that will directly
11 benefit ESJ communities, who are disproportionately impacted by
12 power outages. The Room Heat Pumps MTI would allow ESJ
13 communities access to products they would own that would provide
14 space conditioning during extreme weather events reducing the need to
15 rely on cooling and warming centers.

- 16 • **Goal 5: Enhance outreach and public participation opportunities for
17 ESJ communities to meaningfully participate in . . . and benefit
18 from CPUC programs.** CalMTA applied an equity lens to the
19 development of the proposed MTIs, with tools and guidance integrated
20 throughout to ensure that ESJ community barriers and needs were
21 prioritized and addressed consistently. Throughout the MTI
22 development process, CalMTA created opportunities for ESJ
23 communities to provide feedback on strategies and share insight into
24 key barriers and priorities. Section 2.2 of Appendix E: External Program
25 Alignment & Coordination describes the initial briefings, listening
26 sessions, and the formation of an Equity Sounding Board. ESJ
27 community representatives were also invited to comment on MTI
28 Advancement Plans and give public comment during MTAB meetings.

- **Goal 7: Promote high road career paths and economic opportunity for residents of ESJ communities.** As the Induction Cooking MTI pushes for increased adoption of all induction and ENERGY STAR certified electric resistance cooking, there will be workforce needs in the near term to help upgrade homes to accept 240V products. This MTI's workforce development approach of this MTI will focus on collaborating and contracting with community-based organizations that are helping residents with training to access high road jobs related to electrification and decarbonization of buildings.

1
2
3
4
5
6
7
8
9
10

11 Q. 3. *Does that conclude your testimony?*

12

13 A. 3. Yes