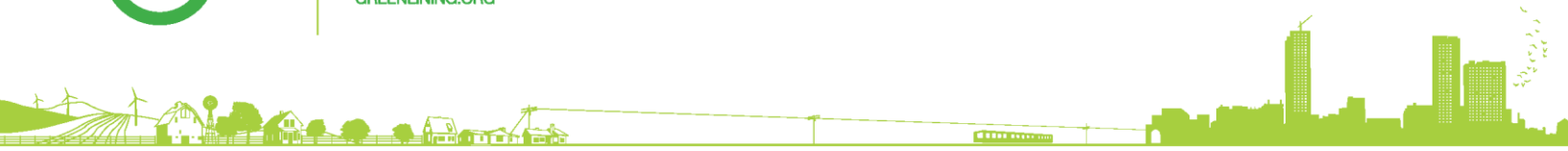




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Testimony of the Greenlining Institute on California's Overarching Energy and Environmental Goals

Honorable members of the Commission:

Thank you for inviting the Greenlining Institute to offer testimony at the Commission's April 24, 2014 hearing. Greenlining is a research, advocacy, and leadership development institute dedicated to promoting economic opportunities in communities of color. We have long advocated for our communities at the California Public Utilities Commission and in the state's broader conversation on energy and environmental issues.

We wish to address two main points with this testimony. First, we wish to add a degree of nuance to the finding in *Rewiring California: Integrating Agendas for Energy Reform* that the approximate total cost of achieving our energy and environmental goals must be identified and clearly communicated to consumers. We must accurately identify the amount of cost that is truly attributable to the policy goals discussed in the report, and we must not talk about costs in a vacuum. The conversation must also discuss the significant benefits of making these investments. Second, we urge the Commission that the next overarching goal, as well as the key to successful implementation of existing goals, must be to increase the number of Californians who are able to benefit from our commitments to clean energy and responsible environmental stewardship. Inclusion is the key to success.

Cost Assessments Must Be Accurate and Honest

Greenlining agrees that we need a better sense of how much achieving our goals will cost, and that the cost must be clearly conveyed to consumers and the public in general. However, in so doing, we must be clear and honest about how much of that cost would have been incurred anyway, without our ambitious goals. For example, our aging electric grid would need significant improvement no matter what generation we used.

Greenlining Coalition:

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American G.I. Forum
Anewamerica
Asian Business Assn.
Asian Inc.
Asian Journal
API Small Business Program
Black Business Assn.
Brightline Defense Project
California Black Chamber of Commerce
California Hispanic Chambers of Commerce

California Journal for Filipino Americans
California Rural Legal Assistance
Chicana/Latina Foundation
Community Child Care Council
Community Resource Project
Council of Asian American Business Assn.
El Concilio of San Mateo County
Ella Baker Center for Human Rights
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Fresno Metro Black Chamber of Commerce
Greater Phoenix Urban League

Hispanic American Growers Assn.
KHEIR Center
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Precinct Reporter Group
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Costs Cannot Be Discussed Alone – Benefits Must Be Included

We must also identify, quantify, and communicate the benefits of the transaction – what the public is buying with its dollar. Those benefits can't just be limited to bill savings, though those are always nice. They must also include environmental benefits like improved air quality, corresponding health benefits like reduced asthma rates, and the ensuing economic benefits, like fewer lost days of school or work. These benefits are felt indirectly by all, in the form of lower health care costs and greater economic productivity, and they are felt very directly by the millions of Californians, disproportionately people of color, who live those statistics every day.

Inclusion Is Key To Success

We are particularly pleased to discuss the state's overarching goals for energy and the environment because we believe that they can – and must – be an excellent opportunity to promote sustainable investment in all communities. We have already established bold goals for reducing emissions and boosting our renewables portfolio, and we have made strong commitments around efficiency, conservation, and responsible stewardship of our waterways and coastal ecosystems. At a policy level, the Golden State has gone green. Now our overarching goal must be to ensure that all Californians have a chance to participate.

Our building and appliance efficiency standards fuel a robust market for upgrades and technological advancements. The California Solar Initiative jump-started the rooftop solar market, and in its wake created new financing and leasing models that make going solar more affordable than ever. Rebates for home energy efficiency upgrades are spurring local job growth in communities across the state. In short, policy creates market opportunities.

It is time now, as the key agencies and stakeholders continue working toward their mutual policy goals, to focus on the new low hanging fruit. Many of the first adopters have already weatherized their homes, purchased efficient and smart appliances, put up solar panels, and bought an electric vehicle. For those who have not yet made the investment, but are in a position to do so, new options continue to arise and expand. The consumer marketplace, particularly in technology-savvy California, is very good at serving first adopters, and it continues to expand quite rapidly to reach more and more consumers.

The new low hanging fruit is a different customer base, one with less discretionary income and one that is more likely to rent than own. They could all use the savings greater efficiency could provide, and many are even willing to pay a little bit more on their monthly bills if it buys cleaner power. Many want the opportunity to invest in rooftop solar, even if they do not own their roof or their roof is not ideally oriented for solar generation. There is a substantial market opportunity here, and it will ensure that California's environmental movement has something in it for everyone, in a very direct, tangible way. Many efforts to improve energy efficiency for existing buildings and to develop community solar sharing models are already underway. The key to both achieving our statewide goals and securing consumer support for our policy choices is to ensure that all customers, regardless of their circumstances, have some way to participate that meets them where they are at.

Our implementation efforts must continue to focus on inclusion. We need different ways to convey benefits to consumers, ones that don't require the customer pay the full price first and benefit the discount weeks or months later, the way a rebate or a tax benefit does. We need to spur market growth in innovations working families can afford. We need to find creative ways to incent customers to use their climate credits toward energy efficiency upgrades. The results may not be sexy, like the Nest or the Tesla, but they will reach a far broader market segment and ensure that all Californians have an opportunity to participate in our burgeoning green economy.

Our efforts must also focus on creating living-wage jobs in the communities that need them the most. As the CalEnviroScreen process has demonstrated, many of the areas most in need environmentally are also most in need economically. This can certainly be viewed as a policy challenge, but it's also a policy opportunity. Energy efficiency, local renewable generation, and culturally optimized energy education and environmental awareness all create opportunities to put people to work across the state. Not only will these local efforts ensure that all Californians have the opportunity to participate, but they will also boost our state and local economies at a time when economic growth is sorely needed in communities that don't make the cover of *Wired* magazine.

Conclusion

California has embarked upon a very ambitious course in our energy and environmental policy. We have done so to preserve the integrity of our unique natural setting, to protect our residents from the harmful impacts of air and water pollution, and to secure energy independence and long-term affordability for our consumers. While these endeavors do come with a price tag, they cannot be viewed solely as a cost. They must be viewed as an investment, which means we must talk about both sides of the coin – the costs *and* the benefits.

We have already committed to a course that creates a revolutionary opportunity to change the way we consume energy. We must pursue this opportunity with a mindful eye toward its cost, but also toward ensuring that we do this right. A state as diverse and as large as California creates an unprecedented opportunity to grow clean energy and related markets to serve a broad array of consumers and ensure that California's green revolution is indeed for all, not just for some.

Please do not hesitate to contact me if Greenlining can be of further assistance to the Commission's work. I can be reached at 510-898-0506 or stephaniec@greenlining.org.

Sincerely,

Stephanie Chen
Energy & Telecommunications Policy Director