BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking Regarding Policies, Procedures and Rules for the Self-Generation Incentive Program and Related Issues.	Rulemaking 20-05-012 (Filed May 28, 2020)

COMMENTS OF THE RURAL COUNTY REPRESENATIVES OF CALIFORNIA ON ASSIGNED COMMISSIONER'S SCOPING MEMO AND RULING REGARDING ADOPTION OF INCOME LIMITS FOR RESIDENTIAL EQUITY RESILIENCY BUDGET CUSTOMERS

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I. Introduction

In accordance with the California Public Utilities Commission ("Commission") Rules of Practice and Procedure, the Rural County Representatives of California (RCRC) submits these comments on the *Assigned Commissioner's Scoping Memo and Ruling*, issued by Assigned Commissioner Clifford Rechtschaffen on August 17, 2020. These comments pertain to Question (a) regarding the adoption of income limits for residential equity resiliency budget customers.

II. Introduction

RCRC offers these comments as to whether the Commission should adopt income limits for residential equity resiliency budget customers. RCRC was granted Party Status on August 20, 2020. RCRC is an association of thirty-seven rural California counties, and its Board of Directors is comprised of elected supervisors from those member counties.

RCRC member counties contain much of California's forested lands and high fire hazard severity zones. Our communities have borne the lion's share of destruction caused by wildfires, experienced most of the state's Public Safety Power Shut-off (PSPS) events, and are interested in utilizing the Self-Generation Incentive Program (SGIP) to mitigate future PSPS impacts.

III. Comments

The Assigned Commissioner's Scoping Memo and Ruling solicits comments on whether the Commission should adopt an income limit (or other restrictions) for residential equity budget customers. Additionally, the Ruling asks whether the Commission should adopt eligibility requirements for some subset of residential equity budget customers - particularly those who rely on groundwater wells and use electric pumps for their water supplies.

Under the current equity resiliency budget, residential customers may qualify for SGIP energy storage incentives to mitigate the impacts of future PSPS events if they live in Tier 2 or Tier 3 High Fire Threat Districts or have experienced two or more PSPS events, and who: 1) are eligible for the equity budget; 2) have participated in the Multifamily Affordable Solar Housing or Single Family Affordable Solar Homes Programs; 3) are on a medical baseline rate program or have reported a serious medical condition to their utility; or, 4) rely on electric well pumps for water supplies.

Given the tremendous impact that last year's PSPS events had on both the individual and community level, RCRC was strongly supportive of Assembly Bill 1144 (Friedman, Chapter 394, Statutes of 2019), which directed the CPUC to allocate $16.6 million in 2020 to support PSPS resiliency projects at critical facilities. RCRC also strongly supported the Commission's dedication[1] of over 60% of SGIP funding through 2024 to improve power resiliency for critical facilities and customers at greatest risk from the loss of electricity.

In their "*Energy Division Recommendations Regarding SGIP Equity Resiliency Budget (ERB) Eligibility Criteria*" letter, Commission staff correctly note that the Commission declined to adopt income limits for medically vulnerable equity resiliency budget customers and those customers who rely on electric well pumps for water supplies. The letter further suggests that, in light of enthusiastic reception of the program by customers relying on groundwater wells, the Commission should adopt income eligibility requirements for those customers and to backdate those income limits to all applications submitted after August 12, 2020. While RCRC understands that SGIP funding is ultimately limited, we offer the following comments to guide the Commission's decision on the matter.

[1] Decisions 19-09-027 and 20-01-021.

A. Medically sensitive customers and customers who rely upon groundwater wells both face significant threats from frequent and prolonged PSPS outages.

RCRC supported allowing non-medical baseline customers with sensitive medical conditions to access the SGIP equity resiliency budget. We similarly supported extending eligibility to customers whose households rely on electric pump wells for domestic water supplies.[2] Fifteen percent of PSPS events exceeded 72 hours[3], with several communities facing back-to-back events of extended duration (often without complete restoration of power between events). We noted that residents in rural counties face the greatest risk of PSPS exposure, are more likely to rely on private groundwater wells, and often lack the resources to acquire alternative generation to maintain access to water for drinking, bathing, and sanitation.[4]

Utility medical baseline programs are undersubscribed for many reasons, and so it is important to allow non-medical baseline customers who notify the utility they have a serious medical condition to qualify for SGIP funding. Losing electricity for even 24 hours could have serious consequences for customers relying upon battery-powered medical devices to provide life-supporting functions. Given these risks and the fact that utility PSPS assistance may not reach all these customers, we suggest the Commission tread carefully in modifying program eligibility in this area.

Losing access to groundwater supplies for domestic purposes causes significant public health problems, especially if access is impaired for significant periods of time. When groundwater wells run dry or lose electricity, residents served by those wells may be unable to access water to flush toilets, bathe, cook, clean, etc. These impacts will be felt even more acutely by mobility-impaired individuals. Considering that 64% of PSPS events that occurred between 2017 and 2019 lasted between 24-72 hours (and 15% lasted more than 72 hours), this is a considerable length of time for a household to go without access to those basic services. While some rural residents may have the financial resources to purchase their own backup generator to power their groundwater pump, many do not.

[2] *Comments of Rural County Representatives of California to the Self-Generation Incentive Program Revisions Pursuant to Senate Bill 700 and Other Program Changes Proposed Decision*, January 3, 2020, Page 6.
[3] Comments of the Public Advocates Office on Assigned Commissioner and Administrative Law Judge's Ruling Requesting Comments on Wireline Provider Resiliency Strategies, August 12, 2020, Page 5.
[4] *Comments of Rural County Representatives of California*, Page 6.

SGIP serves as a much-needed lifeline to help those residents maintain access to water for basic domestic and sanitary purposes.

B. Great care should be taken in determining income, considering that household earnings are likely to look far different this year (as a result of COVID-19) than 2019 earnings might suggest.

Determining who falls under and above an income limit could pose short-term equity problems. Due to COVID-19, there has been a large spike in unemployment. As a result, many California household income levels are far lower than their 2019 earnings would otherwise suggest. Simply relying on 2019 tax filings to determine eligibility could exclude many individuals who are now in even greater need of energy storage to mitigate the impact of future PSPS events. If income limits are adopted, it is important to work in some level of flexibility in determining household income, at least in the short term.

C. If income limits are adopted, they should include a sliding scale of benefits and reflect median statewide household income.

Before imposing income limits, we urge the Commission to conduct as thorough an analysis of SGIP applicant income levels as is possible. While we understand that interest in the SGIP program among groundwater well owners is much stronger than anticipated, it is unclear whether those residents are affluent households that were otherwise contemplating installing energy storage even without the SGIP subsidy, are average-income households in rural areas, or are utilizing the program to install storage in place of a conventional backup generator. Furthermore, it is unclear what impact establishing an income limit (or other restriction on eligibility) would have on medically sensitive customers who notified the utility of their condition. Finally, it is unclear what "other restrictions" the Commission is contemplating adopting in place of income limits.

Rather than establish a bright-line above which individuals will not be eligible for the equity resiliency budget, the Commission should explore a sliding scale of benefits in which subsidies are gradually reduced. We suggest providing full subsidy levels for applicants with a median household income under some level above the current statewide median household income (or some multiple of the federal poverty level).

Under the Air Resources Board's Clean Vehicle Rebate Program, which provides rebates for consumers that purchase electric vehicles, residents earning less than 300% of the 2020 Federal Poverty Level are eligible for the full rebate, which includes an increased rebate amount for lower-income households. Importantly, using 300% of the federal poverty level takes into consideration household size, which could greatly impact the amount of "disposable" income customers have available to spend on PSPS mitigation measures. Of particular note is the fact that 300% of the Federal Poverty Level is $78,600 for a family of four, which is similar to California's median household income of $71,228. The CVRP income cap is set at $150,000 for single-filers, $204,000 for head-of-household filers, and $300,000 for joint filers. RCRC does not suggest that the CVRP cap is set at the correct level. We acknowledge that some suggest the cap is set too high, thereby enabling wealthier communities to tap into subsidies at the expense of lower-income households; however, we also caution against setting too low of an income cap.

Rather than using median areawide income, RCRC suggests using statewide median household income (or some multiple of the federal poverty level) as the metric. Using median areawide income could disadvantage residents living in some of the poorest areas of the state who are at great risk of PSPS events, as a higher income household in a more affluent area would quality for SGIP funding while a lower income household in a poorer area of the state would not.

In any event, RCRC believes that setting any new income cap should be part of a larger, public discussion to ensure that any new requirements are not overly-restrictive.

D. The Commission should not make program changes retroactive.

To guard against electric well pump customers submitting a rush of applications, the Letter suggests that income limits should apply retroactivity to applications submitted after August 12, 2020. It is unclear whether the "application deadline" would apply to submission of a reservation or after installation is complete and when the incentive is claimed. To protect residents, it is imperative that the Commission clarify the stage at which eligibility changes apply. Retroactive application could unfairly impact those residents who have made their decisions to install energy storage devices since that date.

E. Moving forward, the Commission should consider expanding access to the equity resiliency budget for residents who reside in communities that rely solely or predominantly on wireline communications systems.

Last year's PSPS events caused significant disruption in communications systems for wireless and wireline customers alike. RCRC supports the Commission's efforts to improve wireline and wireless communications system resiliency.[5] In that proceeding,

[5] R. 18-03-011 Order Instituting Rulemaking Regarding Emergency Disaster Relief Program.

wireline providers are resisting Commission efforts to increase the resiliency of equipment serving residential customers. While older technologies did not rely on customers having a stable source of electricity, newer technologies are dependent on customers having their own source of electricity to use the communications network.[6] This is an especially troubling prospect in those smaller, rural communities that do not have wireless communications coverage (or where coverage is poor because of the rugged terrain and vegetation). Providers argue that their infrastructure improvements will be wasted efforts if their customers do not have their own generators or energy storage systems during a PSPS event. In light of these arguments, and given the pressing need to maintain customer access to emergency services and 9-1-1 during power outages, *RCRC suggests that the Commission expand equity resiliency budget eligibility to customers who reside in communities that rely solely or predominantly on wireline communications systems.*

IV. Conclusion

RCRC respectfully requests that the Commission's accept these comments for filing and incorporate the suggestions made therein.

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Respectfully submitted,

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[6] California Public Utilities Commission, *Final Analysis Report on Reliability Standards for Telecommunications Emergency Backup Power Systems and Emergency Notification Systems*, May 9, 2008.