June 20, 2016

Mary D. Nichols

Chair, California Air Resources Board

1001 “I” Street

Sacramento, CA 95814

RE: Low Carbon Transportation Fund Investments and Air Quality Improvement Plan (AQIP), focusing on Light Duty Pilot Projects to Benefit Disadvantaged Communities and Lower-Income Consumers

Dear Chair Nichols:

Thank you for your ongoing leadership with implementing carbon reduction and air quality programs at CARB. Your team has been doing good work with facilitating the ongoing planning process to encourage input and collaboration.

Valley Clean Air Now (Valley CAN) greatly appreciates the opportunities that CARB has created for transportation equity projects in the San Joaquin Valley, and we want to take this opportunity to offer some broad comments about program planning, as well as specific comments on some of the details.

Overall, we encourage a focus on how to use existing GGRF-funded programs such as the Enhanced Fleet Modernization Program Plus-Up to identify and engage eligible households to create an expanding sales pipeline in San Joaquin Valley disadvantaged communities. These customers will likely qualify for multiple environmental programs and are likely very motivated by cost savings to enter and complete programs. Combining multiple GGRF programs at the household and community level is a cost-effective way to both deepen and broaden the impact of California Climate Investments (CCI) investments by creating economies of scale. To effectively manage this process, an online customer relations system is needed to manage qualification and data reporting. To build and retain community support, additional flexibility and consumer protections are needed to help customers qualify for and succeed with these programs.

CCI guidelines should be visible across all agencies

CCI programs are currently managed by 11 state agencies, each with a separate set of guidelines that do not always precisely align. Encouraging program interconnections would be facilitated by creating and updating a matrix that compares the basic program qualification criteria across all CCI programs. This matrix can be organized by grouping programs by category (transportation, housing, infrastructure, etc) and further by types of criteria (income, household vs. business, etc). This work product would be very valuable in creating an inclusive yet rigorous cross-qualification process for all disadvantaged community households.

Effective strategies are needed to enable “cross-cutting”

“Cross-cutting” to create linkages between GGRF-funded programs to focus benefits in disadvantaged community households is a goal that has been cited repeatedly in Carbon Investment Program documents including the recent Investment Plan as well as the proposed Transformative Climate Communities program in the Governor’s 2016-17 budget proposal.

Combining existing programs to focus benefits into low-income households in the most severely disadvantaged communities should be a faster path to quantifiable GHG reductions in these areas, as programs could potentially need only additional flexibility and some creativity to create points of connection for cross-qualification.

Valley CAN has already been coordinating with the other GGRF-funded program providers in the San Joaquin Valley to deliver multiple programs to qualified households:

* EFMP Plus Up customers who purchase battery electric vehicles (BEV) who also qualify for Department of Community Services and Development’s low-income rooftop solar PV program managed by Fresno Economic Opportunity Commission can receive a rooftop solar system that includes the pre-wiring necessary for Electric Vehicle Service Equipment.
* Another consumer-facing GGRF-funded project in the San Joaquin Valley is the CalVans agricultural vanpool program. We offer CalVans riders the opportunity to qualify for EFMP Plus-Up, as their vehicles are often pre-1996 high-emitting vehicles that are top targets.

Cross-cutting can be handled most easily at the point of implementation

We recognize how challenging it is to align multiple programs across eleven state agencies, all of which have existing processes. Based on our experience with encouraging program coordination to date, we believe that the easiest path to this cross-program alignment is to incentivize collaboration among program administrators to cross-qualify eligible low-income households for multiple GGRF programs.

Program administrators can compare how program guidelines align or conflict, and can find ways to help to qualify their customers for other programs in ways that are labor- and cost-effective. These administrators are already responsible for verifying eligibility, and they can find points of connection between various program guidelines that improve low-income accessibility while maintaining program integrity.

We encourage staff to consider specific strategies to start creating these interconnections by including enabling language within program guidelines to prioritize cross-program collaboration to find effective ways to maximize related co-benefits. The Light Duty Pilots would be an ideal testing ground on how to interconnect climate equity programs.

A process is needed to consider new additions to the Light Duty Pilot Projects

The Light Duty Pilot Projects have been a good space to test potential approaches for GHG reductions in disadvantaged communities. It would send a positive signal if CARB would establish a process by which new projects could be considered for inclusion in future years.

Web-based systems are needed to manage within and between CCI programs

Customer Relationship Management systems powered by a relational database are typically used to managing large-scale sales or field operations. A well-designed software system could expedite all aspects of GGRF-funded programs, from outreach to customer intake and qualification to project management to reporting and accounting.

By adding program eligibility criteria into project management software and constructing a logic tree for how these rules interrelate, the management system can accurately assess customer eligibility and ensure a rigorous but inclusive verification system. We request that CARB start a

work stream to consider how to best implement a unified program management system that can link programs and align program metrics and reporting.

Low-income customers often require additional program flexibility

Qualifying low-income households in disadvantaged communities requires a more inclusive administrative approach than for other customers. For example, many lower income customers do not file IRS tax returns, so verifying household income with IRS Form 4506-T is problematic. In addition to

the concept of cross-qualifying customers that are already in a state or utility low-income program, another potential solution would be to use the income reported on credit reports. Other perceived

barriers for low-income households include concerns about family members who are undocumented residents, or have legal issues where applying for a government program may seem like a risk.

Acknowledging the challenges in these households and avoiding creating perceived barriers is key to maximizing participation in disadvantaged communities. We recommend that CARB consider how to best maintain low-income accessibility in the qualification process, and how to avoid conflicting and confusion qualification criteria that could create barriers to access.

Supply of used PEVs is a limiting factor for EFMP Plus-Up

Used PEVs are an opportunity to encourage greater overall demand for plug-in vehicles.

The EFMP Plus-Up program in the San Joaquin Valley has found that the most popular choices for replacement vehicles are plug-in hybrids and battery electric vehicles. The only limiting

factor in selling these vehicles is the supply of used PEVs. Valley CAN is making every effort to increase the availability of plug-in vehicles to satisfy customer demand. It is not much of a stretch to say that if there was sufficient availability of plug-in vehicles, EFMP Plus-Up results would be close to 100% PEVs. Longer-term success of the EFMP Plus-Up program is interdependent on the continued success of CVRP

in selling new plug-in electric vehicles which are available for resale to EFMP Plus-Up customers 3-5 years later.

PEVs can be leveraged to extend the benefits of solar PV

PEVs are a connection point between transportation and household GHG reduction programs. By combining BEVs with GGRF-funded solar PV, we have seen the value multiply for these households. There are some potential experiments on how to further link PEVs and homes:

* We suggest a pilot project within the Light Duty Pilot Projects, linked to the CVRP and EFMP Plus-Up programs, to consider options for BEVs as home batteries and re-use of PEV batteries at the household and community level
  + BEVs have been used as storage devices for homes in Japan, where they have been shown to power an average-sized home for up to two days. Using a PEV as a battery for a home would be a game-changer in disadvantaged communities in the San Joaquin Valley, especially those that are not connected to the grid.
  + When PEV customers replace their batteries, the used battery can potentially be repurposed as storage for rooftop solar PV systems, further extending the flexibility and value of the system.

Thank you for your consideration. If you need any additional details, please feel free to contact Tom Knox, at (916) 288-2209 or tom.knox@valleycan.org