

The Association of California Community Energy Services' Proposal for California Air Resources Board (CARB) Cap & Trade Investment Plan

The Goals of the Cap & Trade Program Proceeds:

- Maximize economic, environmental, and public health benefits to the state.
- Foster job creation by promoting in-state GHG emissions reduction projects carried out by California workers and businesses.
- Complement efforts to improve air quality.
- Direct investment toward the most disadvantaged communities and households in the state.
- Provide opportunities for businesses, public agencies, nonprofits, and other community institutions to participate in and benefit from statewide efforts to reduce greenhouse gas emissions.
- Lessen the impacts and effects of climate change on the state's communities, economy, and environment.

The Association of California Community Energy Services (ACCES) urges the CARB to consider and adopt the strategic investment of focusing resources on existing, shovel-ready programs that can be quickly expanded to support GHG reductions during the early stages of the program. We propose that the low-income weatherization program be statewide and not just the disadvantaged communities identified by CAL/EPA in order to share the benefits of the program with everyone who is 40%-60% of the median income of each county in California in accordance with HUD guidelines. This may be appropriately set to accommodate the underserved populations and also to take into consideration all leveraging possibilities. This approach will maximize the benefits of finite resources and GHG emission reductions.

We strongly recommend that CARB focus these efforts on this shovel-ready proposal which would utilize the California State Department of Community Services and Development's (CSD) existing Energy Network which has proven expertise and the mechanisms in place to ensure fiscal and program accountability of program expenditures as evidenced by the successful completion of over 59,000 California homes under the Department of Energy WAP ARRA program. CSD and its Network has successfully managed the federally-funded low to moderate income energy efficiency programs including the U.S. Department of Health and Human Services' funded Low-Income Home Energy Assistance Program (LIHEAP), DOE Weatherization Assistance Program (DOE WAP) and the HUD funded Lead Hazard Control program since 1980 and 1995 respectively.

The proposed program will focus on energy efficiency retrofits, testing of all combustion appliances to assure that they are operating safely and efficiently. If appliances fail, they will be repaired or replaced with more efficient appliances, as possible.

The Energy Network also has extensive experience and ability to provide services under the utility-funded energy efficiency programs throughout the state. These funds could be leveraged along with the federal programs administered by CSD to provide additional measures that are not currently part of the federal programs

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thus creating a more holistic building approach. Further leveraging benefits could include utilizing state energy efficiency rebates from the California Solar Initiative programs to provide no cost solar photo-voltaic and water heating systems to low-income residents. This comprehensive approach could significantly increase the GHG emissions reductions that could be realized.

In addition to installing general, energy efficiency measures and completing minor home repairs, we propose to install Solar Water Heating and Solar Photovoltaic for single-family homes, mobile, duplexes, tri-plexes, four-plex dwellings, and multi-unit dwellings that house California's low-income residents.

The proposed statewide program will assist more low-income households utilizing leveraged funds to: (1) reduce their energy costs; (2) make energy efficiency improvements; (3) improve health and safety conditions of occupied housing that would otherwise not be affordable; (4) contribute significantly to GHG emission reductions. As stated previously, we propose that the target population should be: households with incomes between 40%-60% of the median income of each county in California in accordance with HUD guidelines and Vulnerable Populations such as Veterans, Elderly, Disabled and families with young children.

The proposed project utilizes the DOE ARRA model for program implementation, the program management, and as a guide for the proposed budget.

ARRA - \$185.8 million/59,066 single-family and multi-unit buildings weatherized
Average cost per unit for all measures installed including administrative costs for the local agencies and the State under the ARRA Program = \$3,145 per unit

Proposed Budget: \$200,000,000 over 5 years

Program Components

Solar Water Heating Installation

- ✓ \$5,000 per unit installed X **1,000 Single-Family Dwellings**
- ✓ \$140,000 per system installed on Multi-Unit Dwellings (MUD) **Approx. 2,450 units = 35 systems** X average of 70 units per building X 35 buildings

Solar Photovoltaic's Installation

- ✓ \$25,000 average per unit installed X **400 Single-Family Dwellings**
- ✓ \$8,100 average per system installed on Multi-Unit Dwellings (MUD) **Serving Approximately 1,200 MUD units**

Energy Efficiency Services Installations

\$3,149 average per unit installed X **47,695 units** of all housing types

Energy Efficiency Services Leveraging Resources

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2011/12 Department of Energy Weatherization Assistance Program

✓ \$1.6 million/509 units of all housing types

2013 LIHEAP - 10,969

✓ \$34.5 million/10,970 units of all housing types

The budget is based upon immediate implementation and execution over the next five years. The budget can be adjusted, as needed should revenue from the Cap and Trade auctions fall short of the projected revenue projections. Future federal, utility and state rebate program resources to be leveraged will be determined as they become available during the life of the Cap and Trade program.

Summary

It is position that the revenue from the auctions should be employed to assist all low-income households who will disproportionately feel the impact of increased fuel prices. We support the ideal of focusing funds on disadvantaged communities but believe that expansion of that goal can net significant benefits throughout the state by the innovative leveraging of existing federally-funded energy efficiency resources, utility dollars and rebates for renewable energy installations that benefit the poor and achieve AB32's objectives.

ACCES is working in conjunction with over 100 community based organizations, local county government departments and community action agencies providing energy efficiency, home rehabilitation and human services to low-income households throughout California. The proposal we are forwarding to CARB represents the recommendations of the Association of Rural Northern California Energy Providers (ARNCEP), the California-Nevada Community Action Partnership, the Southern California Forum and ACCES members. Please find attached a copy of the agencies that we represent.

Respectfully submitted by,

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