



June 29, 2015

Mary D. Nichols, Chairman  
 Richard Corey, Executive Officer  
 California Air Resources Board  
 1001 I Street  
 Sacramento, CA 95814

**RE: The “Criteria for Evaluating Benefits for Disadvantaged Communities” in Appendix 2.A Should be Expanded to Include Water and Power Facilities**

Dear Chairman Nichols and Executive Officer Corey,

The San Francisco Public Utilities Commission (SFPUC) commends ARB’s efforts to develop Funding Guidelines for agencies that administer California Climate Investments and the emphasis placed on maximizing benefits for disadvantaged communities. We appreciate the opportunity to comment on the June 16 draft of the Cap- and-Trade Auction Proceeds Funding Guidelines.

The SFPUC is a Department of the City and County of San Francisco and is comprised of three essential 24/7 service utilities: Water, Power, and Sewer. We are the third largest public utility in California, working in seven counties with a combined annual operating budget of over \$900 million. We are proud to be the first public utility in the nation to adopt an Environmental Justice Policy and a Community Benefits Policy.

The SFPUC is concerned that the “Criteria for Evaluating Benefits for Disadvantaged Communities” in Appendix 2.A would unnecessarily restrict and preclude from consideration certain energy and water projects that are located in close proximity to disadvantaged communities and that provide benefits to these communities. Consistent with the intent of SB 535, the criteria for most of the project types in Appendix 2.A included a provision to recognize the potential benefits of certain projects in close proximity to a disadvantaged community—within ½ mile or the same zip code. The criteria to evaluate energy efficiency and renewable energy projects (Table 2.A-4) and water use and energy efficiency projects (Table 2.A-5) do not include a similar provision.

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SFPUC Comments on Criteria for  
Evaluating Disadvantaged Communities

During the June 22 public workshop, ARB staff stated a goal of the Funding Guidelines is to “establish consistent criteria for evaluating whether a project provides a benefit.” To that end, we suggest that the same logic that recognizes that affordable housing (Table 2.A-3), land preservation (Table 2.A-6), or tree plantings (Table 2.A.7) within ½ mile of a disadvantaged community can provide meaningful benefits also applies to energy and water projects. In particular, agencies should consider energy and water projects that provide upgrades to publicly accessible buildings that provide services such as schools or hospitals in close proximity to disadvantaged census tracts.

We recommend these additions to the existing list of criteria in Volume 2 of the draft Funding Guidelines, in order to better achieve the intent of the Legislature in SB 862 to maximize benefits for disadvantaged communities:

In Table 2.A-4 (“Energy Efficiency and Renewable Energy”), for a project that is not “Located Within” but “Provides Benefits To” a disadvantaged community:

**C. Project provides energy efficiency or renewable energy improvements for facilities that provide public services (e.g. schools, hospitals, social service facilities) and are accessible by walking within ½ mile of a disadvantaged community.**

In Table 2.A-5 (“Water Use and Energy Efficiency”), for a project that is not “Located Within” but “Provides Benefits To” a disadvantaged community:

**D. Project provides water and energy use efficiency improvements for facilities that provide public services (e.g. schools, hospitals, social service facilities) and are accessible by walking within ½ mile of a disadvantaged community.**

If we can provide you with additional information or answer questions, please do not hesitate to contact Jonathan Cherry at [jcherry@sfgwater.org](mailto:jcherry@sfgwater.org).

Thank you for your time and consideration,

Barbara Hale  
Assistant General Manager – Power