



**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

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Order Instituting Rulemaking to Establish a
Framework and Processes for Assessing the
Affordability of Utility Service.

R.18-07-006

**CALIFORNIA COMMUNITY CHOICE ASSOCIATION'S
COMMENTS ON THE PROPOSED DECISION IMPLEMENTING
THE AFFORDABILITY METRICS**

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SUMMARY OF RECOMMENDATIONS

California Community Choice Association (CalCCA) supports the adoption of the

Proposed Decision:

- The PD's establishment of a multi-year period of assessment on the implementation of the Affordability metrics will allow for improvement based on actual experience of the California Public Utilities Commission (Commission) and parties with the metrics; and
 - The PD's reliance on the CalEnviroScreen tool and California Environmental Protection Agency's (CalEPA) definition of Disadvantaged Communities (DACs) instead of the Socioeconomic Vulnerability Index (SEVI) will ensure consideration of more factors impacting affordability, including environmental and health factors.
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COMMENTS ON THE PROPOSED DECISION IMPLEMENTING
THE AFFORDABILITY METRICS**

The California Community Choice Association (CalCCA)¹ submits these Comments pursuant to Rule 14.3 of the California Public Utilities Commission (Commission) Rules of Practice and Procedure on the proposed *Decision Implementing the Affordability Metrics* (PD or Proposed Decision), issued on June 10, 2022.

I. INTRODUCTION

The PD represents the continuation of the Commission's careful work constructing the metrics and framework to analyze the affordability of essential utility services. As the Covid pandemic continues and other economic and climate impacts continue to challenge Californian households, the Commission's focus on affordability remains more important than ever. Given the complexities concerning the three affordability metrics adopted in the Phase 1 Decision,² as

¹ California Community Choice Association represents the interests of 23 community choice electricity providers in California: Apple Valley Choice Energy, Central Coast Community Energy, Clean Energy Alliance, Clean Power Alliance, CleanPowerSF, Desert Community Energy, East Bay Community Energy, Lancaster Choice Energy, Marin Clean Energy, Orange County Power Authority, Peninsula Clean Energy, Pico Rivera Innovative Municipal Energy, Pioneer Community Energy, Pomona Choice Energy, Rancho Mirage Energy Authority, Redwood Coast Energy Authority, San Diego Community Power, San Jacinto Power, San José Clean Energy, Santa Barbara Clean Energy, Silicon Valley Clean Energy, Sonoma Clean Power, and Valley Clean Energy.

² D.20-07-032, *Decision Adopting Metrics and Methodologies for Assessing the Relative Affordability of Utility Service*, R.18-07-006 (July 16, 2020).

well as the further refinement proposed by the Staff Proposal on Implementation of Affordability Metrics (Staff Proposal), the Commission should approve the PD's adoption of a multi-year stakeholder feedback process after parties have hands-on experience with the tools and methodologies. This careful approach will ensure that the metrics are continually refined to allow for inputs that will produce an accurate affordability assessment of utility rates and programs for the Commission, stakeholders, and consumers.

For the reasons set forth below, CalCCA supports the PD's adoption:

- The PD's establishment of a multi-year period of assessment on the implementation of the Affordability metrics will allow for improvement based on actual experience of the Commission and parties with the metrics; and
- The PD's reliance on the CalEnviroScreen tool and California Environmental Protection Agency's (CalEPA) definition of Disadvantaged Communities (DACs) instead of the Socioeconomic Vulnerability Index (SEVI) will ensure consideration of both environmental and health factors impacting affordability.

II. THE COMMISSION SHOULD ADOPT THE PD'S ESTABLISHMENT OF A MULTI-YEAR IMPLEMENTATION AND ASSESSMENT OF THE EFFECTIVENESS OF THE AFFORDABILITY METRICS

The Commission should adopt the PD's approach to gradually implementing affordability metrics across relevant proceedings and to ongoing stakeholder feedback as the Commission and stakeholders implement, report on, and update and improve the affordability metrics. The PD adopts the Staff Proposal with certain technical refinements and adopts a process to solicit feedback on implementation of the metrics for a two-year assessment period. The PD also provides specific questions stakeholders will be invited to address after the publication of the annual Affordability Report, to solicit suggested changes regarding: (1) technical changes to the Affordability Ratio (AR) calculator; (2) forecasting on inputs to the calculator; (3) implementation of the metrics and whether the outputs are useful. This two-year period, along with the proposed set of questions, will therefore allow stakeholders time to provide their

perspectives on whether the affordability metrics and their implementation across specific proceedings require further modifications.

III. THE COMMISSION SHOULD ADOPT THE PD'S RELIANCE ON THE CALENVIROSCREEN TOOL AND CALEPA'S DEFINITION OF DACS INSTEAD OF SEVI TO ENSURE CONSIDERATION OF ALL FACTORS IMPACTING AFFORDABILITY

The Commission should adopt the PD's reliance on the CalEnviroScreen tool and CalEPA's definition of DACs instead of SEVI. The PD replaces the Staff Proposal's use of SEVI as the third affordability metric with the most recent version of CalEnviroScreen. The PD identifies benefits of CalEnviroScreen that outweigh those of SEVI, including CalEnviroScreen's alignment with the Commission's Environmental and Social Justice (ESJ) Action Plan. CalCCA supports the incorporation of factors outside of socioeconomic factors, such as health and environmental factors, that contribute to affordability issues. For example, high concentrations of pollutants can lead a household to spend more of its discretionary budget on medical costs, thus increasing the affordability burden of utility bills.

CalCCA recognizes the tradeoff of benefits between tools and supports the PD's modification to use the CalEPA's most recent definition of DACs which incorporates additional categories of DACs to CalEnviroScreen 4.0.³ As an extract from the CalEnviroScreen tool, SEVI provides a more focused view of socioeconomic vulnerability that is not skewed by other

³ In May 2022, CalEPA finalized an update to its designation of DACs for the purpose of SB 535, in the following four categories: (1) census tracts receiving the highest 25 percent of overall scores in CalEnviroScreen 4.0 (1,984 tracts); (2) census tracts lacking overall scores in CalEnviroScreen 4.0 due to data gaps, but receiving the highest five percent of CalEnviroScreen 4.0 cumulative pollution burden scores (19 tracts); (3) census tracts identified in the 2017 DAC designation as disadvantaged, regardless of their scores in CalEnviroScreen 4.0 (305 tracts); and (4) lands under the control of federally recognized tribes, with an option for tribes to consult with CalEPA as necessary. *See Final Designation of Disadvantaged Communities Pursuant to Senate Bill 535* (May 2022), located at https://calepa.ca.gov/wp-content/uploads/sites/6/2022/05/Updated-Disadvantaged-Communities-Designation-DAC-May-2022-Eng.a.hp_-1.pdf

variables included in CalEnviroScreen. At the same time, removing those other variables ignores non-socioeconomic factors which can impact affordability at a community level. While the CalEnviroScreen tool does not depend solely on socioeconomic factors, other affordability metrics like the Affordability Ratio and Hours-at-Minimum-Wage complement CalEnviroScreen by providing a focused socioeconomic lens. Implementing all three affordability metrics will result in identifying geographic areas demonstrating a range of financial, environmental, and socioeconomic hardships without imposing a definition of affordability that is too narrow. CalCCA appreciates the Commission's consideration in selecting metrics that complement each other by examining affordability from different angles, acknowledging that our communities are harmed by various financial, social, and environmental factors.

IV. CONCLUSION

CalCCA appreciates the opportunity to submit these Comments and requests adoption of the recommendations proposed herein.

Respectfully submitted,



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CALIFORNIA COMMUNITY CHOICE
ASSOCIATION

June 30, 2022