



R.20-01-007 TRACK 2 – GAS INFRASTRUCTURE

WORKSHOP 3: EQUITY WORKSHOP
FINAL WORKSHOP REPORT
July 7, 2022

California Public
Utilities Commission

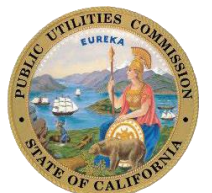


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APPENDIX A: Equity Workshop Agenda, March 29, 2022

A digital copy of this report can be found at: <https://www.cpuc.ca.gov/industries-and-topics/natural-gas/long-term-gas-planning-rulemaking>

This report is based on a Draft Report prepared by Southwest Gas Corporation as edited by staff of the California Public Utilities Commission

Thanks to:

Jean Spencer, Supervisor, Gas Policy & Reliability
Renée Guild, Senior Analyst, Gas Policy & Reliability
Karin Sung, Advisor to Commission Rechtschaffen
Chris Moore, CPUC Outreach
Nicole Cropper, Office of the Commission
Commissioner Rechtschaffen & Staff

1. INTRODUCTION

On March 29, 2022, the California Public Utilities Commission’s (CPUC) Gas Policy & Reliability Group of the Energy Division hosted a workshop in Track 2 of Rulemaking (R.) 20-01-007, the Rulemaking to Establish Policies, Processes, and Rules to Ensure Safe and Reliable Gas Systems in California and Perform Long-Term Gas System Planning (Rulemaking). Pursuant to Assigned Commissioner’s Amended Scoping and Ruling issued on January 5, 2022 (Amending Scoping Ruling), this virtual workshop was held to address equity challenges relating to the gas transition to further inform the proceeding.¹

2. BACKGROUND

The Commission issued the Ordering Instituting Rulemaking 20-01-007 (OIR) on January 27, 2020, “to respond to past and prospective events that together will require changes to certain policies, processes and rules that govern natural gas utilities in California.”² The Rulemaking has been divided into two Tracks, each with sub-tracks, as follows:

Track 1A – System Reliability Standards and Track 1B – Market Structure and Regulations.

These tracks respectively examined 1) reliability standards for gas transmission systems to establish whether design changes are necessary with respect to a warming climate and the service capacity of current and future gas system infrastructure, and 2) proposals for mitigating any impacts on wholesale and local gas market prices and gas system and electric grid reliability resulting from gas transmission systems operational issues.^{3,4}

Track 2 – Long-Term Natural Gas Policy and Planning. In this track, Commission aims to “...determine a long-term planning strategy to balance the impact that the projected reduction in gas demand will have on the gas systems with the existing statutorily mandated rules and programs that ensure the safe and reliable provision of energy in California.”⁵ The Amended Scoping Ruling further divided Track 2 into three sub-tracks.

Track 2A – Gas Infrastructure. This track will examine the appropriate gas infrastructure portfolio for California gas utilities with respect to the State’s greenhouse gas (GHG) reduction mandates and the gas utilities’ statutory obligation to serve their customers.⁶

Track 2B – Equity, Rate Design, Gas Revenues, Safety, and Workforce Issues. Pursuant to the Amended Scoping, there are unique challenges faced by low-income and disadvantaged communities as the transition away from gas is

¹ Rulemaking 20-01-007, *Assigned Commissioner’s Amended Scoping Memo and Ruling*, dated January 5, 2022, at p. 15.

² OIR at p. 2.

³ OIR at pp. 13-14.

⁴ OIR at p. 14.

⁵ OIR at p. 17.

⁶ Amended Scoping Ruling at pp. 3-4.

considered in this proceeding. As such, this Rulemaking will consider equity challenges as part of all decision-making relating to gas system planning.⁷

Track 2C – Data and Process. This track will evaluate demand scenarios resulting from state and local GHG-related laws to determine a long-term planning strategy in consideration of projected reductions in gas demand and the impact the reductions will have on the gas systems.⁸

3. TRACK 2 WORKSHOP 3 – GAS INFRASTRUCTURE EQUITY

Workshop 3 was held remotely on March 29, 2022. On March 8, 2022, Energy Division Staff served a notice of the workshop on the service lists in proceedings R.20-01-007, R.19-01-001, R.13-02-008 and Application 21-06-021. The public workshop notice was posted on the Commission’s Daily Calendar and website at <https://www.cpuc.ca.gov/industries-and-topics/natural-gas/long-term-gas-planning-rulemaking>. The workshop agenda was subsequently served on these same proceedings on March 25, 2022 and is included in Appendix A to this report.

Energy Division Staff (Jean Spencer, Renee Guild and Karin Sung) hosted the workshop. The workshop was held from 9:30 a.m. to 1:00 p.m. and consisted of three panels 1) Community Snapshots – Landlords and Renters; 2) Community Snapshots – Homeowners; and 3) Minimizing Gas Rate Increases During the Transition. Each panel addressed various questions as described in the following sections. The purpose of the workshop was to review the equity issues facing different low-income communities in California and engage various stakeholders on questions related to equity and the natural gas transition, to inform R.20-01-007, and to begin discussion of rates issues that will be the subject of a workshop to be held in October 2022.

The Commission’s goal with the workshop was for participants and attendees to gain a better understanding of the challenges facing different communities and stakeholders.

The panelist presentations can also be found at the above link.

4. COMMISSIONER OPENING REMARKS

Commissioner Clifford Rechtschaffen, presiding commissioner, expressed gratitude to the Energy Division for their continued efforts in organizing this workshop along with the other workshop occurring in 2022. The Commissioner noted this workshop was the first of three workshops on Equity issues in this Rulemaking. Two all day workshops will occur in the Fall 2022 that will kick-off a sub-track in this Rulemaking focusing on equity and workforce related issues and will be held in response to comments received by the Commission. However, the instant workshop was held to begin the discussion on Equity issues given that the issues addressed in the present workshop will inform the Rulemaking overall, including the broader infrastructure questions that the Commission is considering. For example, as the Commission studies a framework for the prudent reduction of the natural gas infrastructure system, it will consider community characteristics when developing that framework.

⁷ Ibid at p. 3.

⁸ Ibid at p. 10.

The Commission, throughout this Rulemaking, has been making a concerted effort to engage various community-based organizations (CBOs), members of the public and various other stakeholders representing low-income and disadvantaged communities (DACs) that are not normally participants before the Commission. As such, the Commission has been employing additional efforts beyond its customary community outreach methods to engage these groups. To that end, the Commission held the Natural Gas 101 and Policies for a Just Transition Webinar on March 16, 2022. This workshop covered the basics of the natural gas system, including how it works, how it serves customers, its reliability challenges and the long-term outlook of the system. The goal of the webinar was to provide these stakeholders a better understanding of the fundamental issues that the Commission is addressing in this Rulemaking as well as to start providing them with the foundation, resources and understanding to better engage on these issues. The webinar also served as an opportunity for the Commission to obtain feedback from community members on how to make it easier for them to participate in proceedings or other events before the Commission. The feedback received from the CBOs includes 1) funding is needed, including prompt payment of intervenor compensation, to enable them to participate in Commission proceedings/events and perform outreach; and 2) the Commission should publish data, analysis, executive summaries, and facilitate more workshops. The Commission received overall positive feedback regarding the Webinar and the Commission is considering additional ways to build upon these efforts in this Rulemaking and other proceedings as well.

This Equity Workshop provides the opportunity to hear from community representatives, CBOs, and experts from across the state. This workshop is being conducted with the vital recognition that DACs are not a monolith given that the gas system transition poses different challenges for California's communities based on whether they are urban, rural, their climate zones, etc. These considerations formed the basis of this workshop. Feedback is also sought from participants on ways to mitigate the rate impacts of the gas system transition as the Commission struggles with the affordability crisis for ratepayers. This workshop will inform this Rulemaking as a whole, not just the Equity track. The Commissioner also expressed gratitude for the participation of Dr. Elena Krieger, a member of the Disadvantaged Community Advisory Group (DACAG), who joined the workshop as a discussant to share her perspective on the various workshop panels.

President Alice Busching Reynolds expressed gratitude to Energy Division, workshop presenters, and Commissioner Rechtschaffen for bringing forward the equity issues related to the gas system transition. This workshop is an important start to the series of workshops being held.

Commissioner Genevieve Shiroma expressed similar thanks and noted that this workshop highlights an important aspect of the regulatory process since it is one thing to write decarbonization policy and regulations, but another matter to implement these policies and regulations with the knowledge of their impact on California's diverse households, including renters and homeowners and those with various gas usages. The implementation of these policies will not be easy, yet as there has been a shift to cleaner vehicles, and the very welcome proliferation of LED light bulbs, a way exists to manage the transition equitably.

Commission Darcie L. Houck expressed similar thanks, stated this Rulemaking addresses several issues concerning how to plan for the future of the State's natural gas systems, and recognized the amount of work ahead for California to meet its climate reduction goals. The transition of the natural gas system is critical to this endeavor. The decisions made in this Rulemaking will also have future long-term impact on ratepayers; therefore, this workshop is very

timely as equity challenges relating to the gas system transition are a critical factor for the Commission to consider. Additionally, equity issues addressed in this workshop overlap with the issues in the Affordability Rulemaking (R.18-07-006) concerning energy rates where Commissioner Houck is the presiding Commissioner.

The Affordability En Banc (held February 28 through March 1, 2022) and this workshop will provide the opportunity to hear directly from stakeholders about these important issues that need to be addressed as decisions are made about the gas system transition process. In the Affordability En Banc, various strategies and policies were discussed that could be implemented to facilitate an equitable transition of the gas system, including whether: 1) to authorize utilities to deploy capital and recover costs for building decarbonization upgrades through on-bill tariff structures; 2) to implement mechanisms to avoid excessive and disproportional gas infrastructure cost impacts on customers who cannot afford to electrify; 3) to determine if electrification warrants securitization or accelerated depreciation of assets; 4) to determine how to efficiently prune the gas system while ensuring safety; and 5) to treat natural gas as a renewable balancing service for the purpose of cost allocation and rate design. (More information about R.18-07-006 can be found here: <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/affordability>.) The interest of this workshop is to hear a more targeted discussion of the challenges faced by DACs, for both renters and homeowners, regarding the natural gas transition.

Commissioner John Reynolds expressed similar thanks and looks forward to hearing more about the various issues that should be considered as the Commission evaluates the long-term plans for the gas system and the different impacts on California's diverse communities.

5. CPUC OVERVIEW OF ENVIRONMENTAL & SOCIAL JUSTICE ACTION PLAN AND DISADVANTAGED COMMUNITY ADVISORY GROUP

Presenter: Nicole Cropper, Special Assistant to the Office of the Commission

Ms. Cropper briefly discussed the two terms that form the basis of the Commission's work: Environmental Justice and Environmental and Social Justice (ESJ). The U.S. Environmental Protection Agency's (U.S. EPA) definition of Environmental Justice begins by stating the "fair treatment and meaningful involvement of all people...", however, it does not explicitly define what *fair treatment* and *meaningful involvement* mean. The Commission adopted a broader definition of Environmental and Social Justice as part of its *Environmental & Social Justice Action Plan* (ESJ Action Plan), that recognizes the disproportionate burden of environmental hazards on communities that have been historically dispossessed and underrepresented, which are generally communities of color and low-income.

The ESJ Action Plan, adopted in early 2019 and facilitated by Commissioners Rechtschaffen and Guzman-Aceves, and their respective staffs, provides the operating framework for the Commission and consists of nine overarching goals. The initial iteration of the ESJ Action Plan contained 94 concrete action items for the Commission to implement over the course of its two-year lifecycle. The nine ESJ goals are:

1. Consistently integrate equity and access considerations throughout CPUC proceedings and other efforts.
2. Increase investment in clean energy resources to benefit ESJ communities, especially to improve local air quality and public health.

3. Strive to improve access to high-quality water, communications, and transportation services for ESJ communities.
4. Increase climate resiliency in ESJ communities.
5. Enhance outreach and public participation opportunities for ESJ communities to meaningfully participate in the CPUC's decision-making process and benefit from CPUC programs.
6. Enhance enforcement to ensure safety and consumer protection for ESJ communities.
7. Foster high road employment opportunities and career paths for residents of ESJ communities.
8. Improve training and staff development related to ESJ issues within the CPUC's jurisdiction.
9. Monitor the CPUC's ESJ efforts to evaluate how they are achieving their objectives.

As identified in Goal 1, the Commission has taken steps to integrate ESJ into its decision-making processes. For instance, one of the Commission's largest efforts was the development of a broad impact statement that provided a way to include ESJ principles in the scope of proceedings, where appropriate, so that a robust record may be developed about ESJ considerations and impacts on underserved communities. Other ESJ Action Plan goals are centered around investing in ESJ communities in a way that recognizes historical injustices and disparate outcomes due to these factors as well as to ensure equal access to services and processes and equity more broadly.

NOTE: The Commission stipulated in the ESJ Action Plan that it is to be reviewed every two years. Version 2.0 of the plan was approved by the Commission on April 7, 2022. A copy of the ESJ Action Plan can be found here: <https://www.cpuc.ca.gov/news-and-updates/newsroom/environmental-and-social-justice-action-plan>

Ms. Cropper further discussed the Action Items contained in the ESJ Action Plan, noting that for the purposes of discussion at this workshop, the action items were grouped into various themes as illustrated below:



In the second iteration of the ESJ Action Plan, the Action Items falling within Study Impacts have proven vital due to the data collected since 2019, coupled with the allocation of funding to communities, enabled the Commission to evaluate metrics and determine any necessary modifications to the Action Items. Other examples of actions items discussed and incorporated in the second version of the ESJ Action Plan include alignment with Race and Equity Action Plan, and exploration of ways to broaden engagement with Access and Functional Needs communities and unhoused individuals.

Although the ESJ Action Plan adopted in 2019 included a provision to review the plan on a two-year cycle, the 2022 ESJ Action Plan contains Action Items based on a three-year time horizon to permit more substantive data gathering. Additionally, the 2022 ESJ Action Plan requires a 2023 Mid-Point Status Report on all action items, including a public presentation to be provided to the Commissioners, DACAG and the Low-Income Oversight Board (LIOB). The End-Point Status Report update of all Action Items will be provided in 2024. In 2025, the stakeholder input process will begin to produce the next iteration of the ESJ Action Plan.

The DACAG was established pursuant to Senate Bill 350 and consists of 11 diverse members from or representing DACs. The DACAG advise the CPUC and the California Energy Commission (CEC) on the development, implementation, and impacts of clean energy and transportation programs on DACs. The DACAG’s foundational framework is one of equity. It states:

Guides the Advisory Group as it moves forward in discussing and commenting on various proceedings and programs before the CPUC and CEC ensuring that access and adequate resources reach the implementation stage and benefit communities in a meaningful and measurable way.

To assist in reducing the disparities and impacts on ESJ communities, the above framework focuses the DACAG and the Commission's efforts around 1) Health and Safety; 2) Access and Education; 3) Financial Benefits; 4) Economic Development; and 5) Consumer Protection.

6. RULEMAKING 20-01-007 INTRODUCTION AND TRACK 2 OVERVIEW

Jean Spencer, Supervisor, Energy Division Gas Policy and Reliability.

A primary focus of R.20-01-007 is the Commission's efforts to plan for a decarbonized future while also ensuring safety, reliability, and just and reasonable rates during the transition.

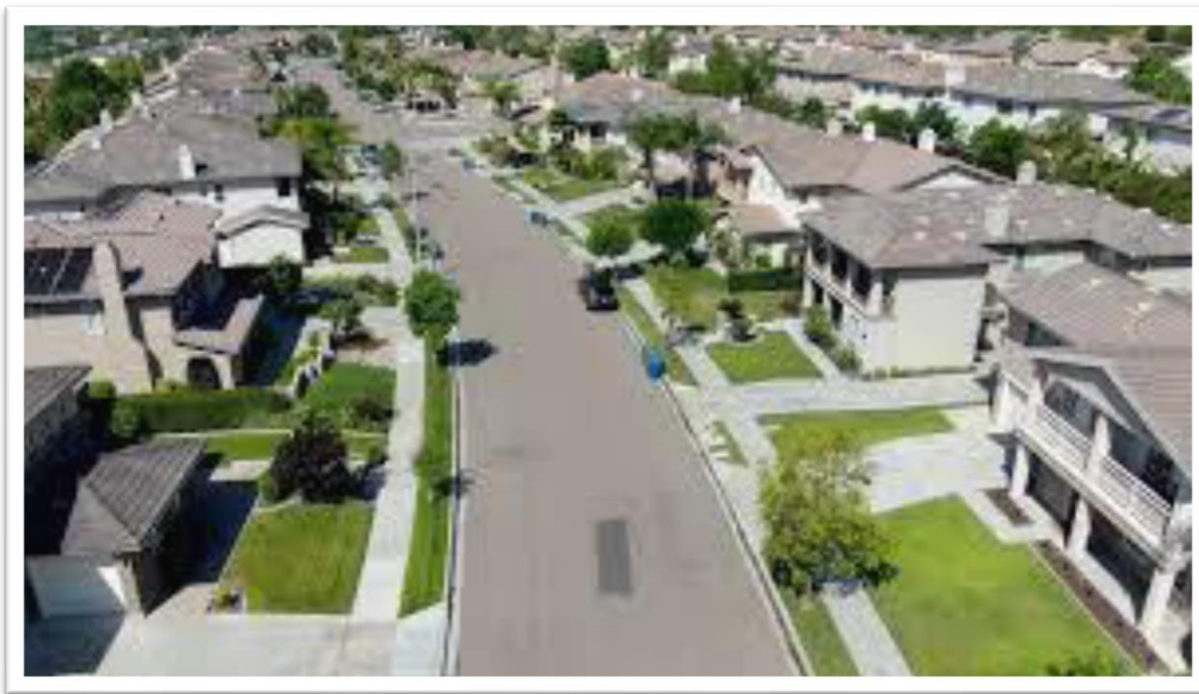
Track 1 of R.20-01-007 began in 2020 and decisions are expected soon. Track 2 was divided into three sub-tracks – Track 2A, 2B and 2C. Track 2A is currently underway, while Track 2B will commence in October 2022 with a focus on safety, equity, gas revenue and rate design, and workforce issues. Track 2C will begin in 2023 and its focus will be data and process issues.

Ms. Spencer highlighted key Track 2A issues that are being addressed and that may be of interest to communities. First, should the Commission require site-specific approval for gas infrastructure projects above a certain size? General Order 131-D requires electric infrastructure replacement above a certain size to go through a permitting process. There is not a comparable gas infrastructure replacement requirement currently in place, and the Commission is reviewing whether a similar requirement should be implemented and what it should entail. Opening and Reply Briefs occurred on February 28, 2022, and April 1, 2022, respectively. A Proposed Decision is expected on this issue by July 2022. Adoption of a similar permitting process for gas infrastructure replacement above a certain size would provide communities opportunity for more input on replacement projects outside gas utilities' general rate cases.

A second issue considered in Track 2A concerns the Commission's evaluation and prioritization of gas distribution lines decommissioning, which are the pipelines that serve local communities and individual residential homes. As such, the Commission is also determining what characteristics need to be analyzed as decommissioning efforts are prioritized. These characteristics include 1) type of communities, i.e., low-income or DACs, and whether they should be given priority; 2) what type of costs savings will be achieved to electrify customers versus replacing gas pipelines that need replacement; 3) whether pipeline safety issues should be considered, i.e., older unsafe versions of Aldyl-A pipe are currently being replaced by utilities, and should these areas be targeted first; and 4) is there enough electric infrastructure in the target area to support electrification. These characteristics may also overlap, e.g., a DAC with Aldyl-A pipe.

Other key Track 2A issues include the role of storage and the gas utilities' obligation to serve. Ms. Spencer noted that the latter issue was discussed in a previous workshop held in R.20-01-007 and further stated that gas utilities have an obligation to provide gas service to customers who request it, unless exceptional conditions exist, such as if a customer is in an extremely rural area where the cost of providing service may be too expensive. However, for most people in densely populated communities, if individuals request gas service, they can generally obtain it. Ms. Spencer noted that this may create a problem if in a neighborhood, such as the one illustrated below, where the gas pipeline runs down the middle of the street and one or two customers do not wish to electrify then the existing pipeline would need to remain under the current interpretation of obligation to serve rules. Therefore, the Commission is currently assessing this

issue in terms of targeted electrification and decommissioning in the context of the obligation to serve. A proposed decision is expected on these two issues in September 2022.



Track 2B addresses equity, rate design, revenues, safety, and workforce issues. This workshop commences the discussion of equity issues and addresses barriers to electrification faced by low-income and DACs as well as actions the Commission may take to address these barriers. These topics will also be addressed later this year in October, building on what was learned in the instant workshop. Pilot projects are not currently planned by the Commission in this Rulemaking but may be considered later. However, the Commission is collaborating with other groups that have been conducting pilot projects for some time. For example, this Rulemaking's team is working internally with Commission's Building Decarbonization team who has funding for electrification projects, and with the CEC Research and Development team on its Northern and Southern California pilot projects which spanned the past two years. At this time, the expectation is that this Rulemaking will be informed by those pilot projects, in lieu of performing pilot projects.

Rates and revenue issues will be discussed during this workshop, including what strategies the Commission should consider to mitigate future rate impacts. There is concern regarding people who are left on the gas system that may face increasing rates as more and more customers leave the gas system.

How should the Commission balance safety issues with cost concerns? Also, how can negative impacts on the gas workforce be mitigated as less infrastructure and work is needed? A decision on Track 2B issues is expected in mid-2023.

Finally, Track 2C issues will consider data and process. A ruling was issued on March 1, 2022, directing utilities to providing data on their infrastructure. Ms. Spencer noted that stakeholders may be interested in more data concerning what type of existing pipeline there is, pipeline age, condition, and what is still owed. Although the data gathering process has begun, the Commission

will determine later if there are still other issues that need to be addressed regarding the data. The Commission will also assess what type of data is necessary to better forecast future demands, considering the changing climate. With respect to the process issue, the Commission will determine and memorialize a process to be used in the future, i.e., whether utilities be required to submit a decarbonization plan with a 10-year outlook on a regular schedule and whether it may be based on the Integrated Resource Plan, for instance.

7. PANEL 1: COMMUNITY SNAPSHOTS – LANDLORDS AND RENTERS

Panel 1 Questions: *What are the challenges and opportunities to decarbonization experienced by renters and landlords from different parts of the state? What suggestions do different communities and stakeholders have for Commission action?*

7.1 Panelist 1 - Chelsea Kirk, Policy Analyst at Strategic Actions for a Just Economy (SAJE) and Principal Author of Los Angeles Building Decarbonization: Tenant Impact and Recommendations (LA Decarb Report)

Ms. Kirk discussed the challenges and opportunities of building decarbonization with a focus on the renter population in Los Angeles. SAJE, founded in 1996, is a membership-based organization based in South Los Angeles whose primary focus is tenants' rights, healthy housing, and equitable development. SAJE membership consists primarily of low-income and Latino tenants. SAJE's work is community organizing and launching policy campaigns at the city and county level and sometimes at the state level.

Ms. Kirk was the primary author of SAJE's report "Los Angeles Building Decarbonization: Tenant Impact and Recommendations" (LA Decarb Report), which looked at the potential impact of building decarbonization on tenants in Los Angeles, who comprise more than 60 percent of the city's population.⁹ Ms. Kirk's goal for the LA Decarb Report was to answer the question of how decarbonization can improve or worsen the situation for tenants in Los Angeles. Ms. Kirk noted that her report was drafted while the City of Los Angeles is in the process of designing a city-wide ordinance for decarbonization.

To answer the focal question of the LA Decarb Report, Ms. Kirk noted that an understanding must first be achieved regarding the current living conditions of the tenants in Los Angeles. Los Angeles is amid a housing affordability crisis, i.e., market rents are out of reach for low-income individuals, and there is a shortfall of approximately 184,000 units of affordable housing. As a result, there are high rates of rent burden, eviction, and displacement. A recent study performed by the University of Southern California looked at certain low-income Los Angeles neighborhoods and found that 73 percent of area residents were rent burdened, with 48 percent of these residents spending more than half (50 percent) of their income on rent each month. To assist, SAJE provides a tenant clinic and, through this clinic, SAJE commonly supports tenants who experience issues such as harassment, illegal evictions, and landlords' attempts at illegal rent increases for tenants who did nothing wrong. In addition to the landlords considered to be "bad actors," there are a growing number of corporate landlords who own 67 percent of Los Angeles' rental stock. As such, the relationship between the landlord and the tenant. is key when considering building decarbonization.

⁹ SAJE, Los Angeles Building Decarbonization: Tenant Impact and Recommendations, 2021: [Los Angeles Building Decarbonization: Tenant Impact and Recommendations « SAJE](#)

The transition from fossil fuels poses risks if the various crises are not considered in policy design, including greater household rent burden, higher displacement of low-income tenants, and greater corporate ownership of rental housing. Additionally, these risks exist since decarbonization is, or can be, expensive when costs related to all new electric appliances, energy efficiency improvements, gas disconnection, electric panel upgrades as well as the associated labor costs to perform this work are incorporated. As a result, a retrofit can cost upwards of \$20,000 dollars per housing unit. Given Los Angeles' existing tenant laws, individuals can be responsible for these costs.

Costs can be passed onto tenants		
Law	Coverage	Provisions on Building Upgrades
Los Angeles Rent Stabilization Ordinance (RSO)	Tenants in buildings constructed on or before Oct. 1, 1978 with some exceptions.	Up to 100% of costs can be passed through under existing cost recovery programs
California AB 1482	Tenants in buildings at least 15 years old and not otherwise covered by RSO with some exceptions.	Tenants can be evicted for substantial remodel with a compensation of one month's rent
NONE	Tenants in buildings constructed in the last 15 years	No protections from rent increases or evictions

For example there are three categories of tenants in Los Angeles: 1) those tenants who are protected under the City's Rent Stabilization Ordinance (RSO), which covers buildings constructed before 1978. Although the RSO is the strongest form of rent control in Los Angeles, limiting rent increases and evictions, there are certain exceptions for building upgrades that permit landlords to raise tenant rents up to 10 percent; 2) those tenants who are covered under the State's Assembly Bill (AB) 1482, which are tenants residing in buildings that are at least 15 years old. Tenants under AB 1482 experience fewer protections than RSO and may be evicted from their residences for substantial remodel of their units; and 3) those tenants who are living in new buildings that are less than 15 years old. These tenants do not have protections from any sort of rent increases or evictions.

With respect to RSO, it covers more than half of Los Angeles' rental stock and contains provisions for landlords to pass building upgrade costs through to tenants over various lengths of time. Although tenants may not incur large upfront costs, they will ultimately be paying for the upgrades through monthly rent increases. For example, the RSO's Primary Renovation Work Program provides for the greatest rent increase at up to a 10 percent. This increase is permanent and will exist even after the cost of the building retrofits are recovered. As such, rent increases will

exacerbate tenant difficulties because they already suffer from rent burden and are on the verge of displacement because of housing costs. Other cost recovery programs are illustrated below.

Local Cost Recovery Programs	Program	Use	Percentage of cost recovery	Amortization	Maximum monthly rental increase	Duration
	Primary Renovation Work Program	Construction work that requires a Tenant Habitability Plan such as insulation improvements, upgrading electrical paneling, and improving cooling and heating systems	100	180 months	10%	Permanent Phased in 50% Year 1 & 50% Year 2
	Capital Improvement Program	Exterior painting, landscaping, flooring, fixtures, doors, windows, fences, security items, meter conversions, major appliances, screens, and window coverings	50	60 months	\$55	Temporary 72 months, or until the total amount approved is collected
	Rehabilitation Work Program	Mandated work required by a change in the building code or aftermath of natural disaster	100	60 months	\$75	Temporary 60 months or until the total amount approved is collected
	Seismic Retrofit Work Program	Mandated work applying to about 12,000 soft story buildings	50	120 months	\$38	Temporary 120 months This time limit can be extended

Other risks of decarbonization that exist in Los Angeles' RSO is the provision for vacancy decontrol, which permits landlords to reset rents to the market rate after a tenant vacates a housing unit. SAJE has found that this provision creates a financial incentive for landlords to replace long-standing tenants in favor of rent increases. Therefore, a great concern exists that if property owners are required to pay for the full upfront costs for decarbonization upgrades, then this may motivate owners to offset their costs by replacing tenants who pay below market rents with higher paying tenants.

The most common tactic used by landlords to illegally evict tenants is harassment, wherein they circumvent tenant protections to drive them out of their homes. Harassment tactics include removal of parking, shutting off utilities, issuing fake evictions notices and locking tenants out of their homes. These tactics may be harmful to tenants' psychological and physical well-being.



Photo credit: Laist, Flickr, Wikimedia, KNOCK-LA

Another challenge is housing habitability, particularly for tenants in South Los Angeles, that contribute to tenants' health problems and disease. The photos below provide an example of a SAJE member tenant's housing, where the tenant's residence has holes in the walls and cabinets(not shown are broken windows, pest infestations, only two working electrical outlets, nor has the tenant had hot water in years). It is difficult to understand how to motivate property owners to decarbonize tenant homes if they are neglecting to make basic, necessary home improvements.



Two opportunities that may result from building decarbonization are improved health and housing quality. The removal of natural gas appliances through the conversion to all-electric directly improves air quality and may in turn improve tenant health issues such as respiratory problems. Also, if building decarbonization efforts are approached holistically, not only will the home be made all-electric and climate resilient, but an opportunity also exists to remediate the housing health hazards described above.

In closing, Ms. Kirk provided the following recommendations:

- Include tenant protections in any decarbonization efforts, such as mandates, incentive programs, rebates, and direct install programs.
- Target decarbonization programs to low-income customers and DACs.
- Prohibit rent increases for subsidized upgrades.
- Involve CBOs in tenant outreach and execution of programs to help reach tenants most in need, as well as act as enforcer of existing protections.
- Engage local housing agencies regarding enforcement of tenant protections.
- Take holistic approaches to retrofit work that includes remediation of habitability issues.

7.2 Panelist 2 – Pam Bold, Executive Director at High Sierra Energy Foundation

Ms. Bold provided a brief background of the High Sierra Energy Foundation (HSEF). This is a nonprofit organization founded in 2005 with the mission to promote the culture of energy efficiency and sustainability in the Eastern Sierra, which includes Inyo and Mono Counties. HSEF partnered

with five other agencies that represent rural California communities to develop the Rural Regional Energy Network (RuralREN) Energy Efficiency Business Plan. This group of agencies formed a partnership in 2015, sharing best practices and providing representation of the rural perspective on implementation and in regulatory proceedings. HSEF is also a regional partner with SoCalREN Public Agency and Multi-Family Energy Efficiency Programs and implements the Eastern Sierra Green Business Program, which is part of the California Green Business Network. HSEF also conducts various community initiatives, such as the Inyo County Small Business Development Center and Energy Efficiency Demonstration Center, and statewide Public Good Program funded outreach (such as Energy Upgrade California). HSEF has also administered the CDFA Healthy Stores Grant and performs youth education.

Ms. Bold noted that the focus of her presentation was to discuss incorporating an equitable perspective in efforts to ensure that initiatives targeted at urban locations can be implemented in rural and hard-to-reach areas.

Inyo and Mono Counties in the Eastern Sierra region includes various extreme characteristics, including: 1) landmass for these counties consist of over 13,000 square miles, with the highest elevation at Mount Whitney and the lowest elevation in the continental United States at Bad Water; 2) population consists of approximately 30,000 year-round permanent residents, which may double during tourist seasons; 3) climate extremes include record high temperature of 134 degrees Fahrenheit in Death Valley, as well as the lowest temperatures registering at approximately 20 degrees below in Mono County and at Bodie, a California State Historic Park, where temperatures have reached 29 degrees below; 4) income in the region includes median household incomes of approximately \$30,000 contrasted with seasonal residents who live in the region who inhabit their large second, third, or fourth homes; and 5) there are a higher number of secondary homeowners in parts of Mono County as opposed to primary residential customers. The most pressing issue facing these Eastern Sierra communities is to find solutions to the housing shortage with an emphasis on affordable housing, which is having a dramatic impact on the region's labor shortage).

Regional characteristics include: 1) no natural gas given the rural nature of the region; 2) seven federally recognized tribal nations; 3) the percentage of renters varies from low amounts in unincorporated Mono and Inyo Counties (24.5% and 28%, respectively) to a high of 60 percent in Mammoth Lakes; 4) 73 percent and 43 percent of residents in Inyo and Mono Counties, respectively, are enrolled in the California Alternative Rates for Energy (CARE) program; 5) both counties have lower Annual Medium Income than the rest of California; and 6) wide variation of propane costs. As of March 2022, propane is four dollars per gallon, yet in the past, propane's cost per gallon averaged from \$2.90 to \$3.48, which is due to the lack of propane providers in the area and their ability to price propane differently. High propane costs are exacerbated when customers do not question or try to bargain with the providers, which may be due to cultural differences and/or lack of English verbal skills.

Housing characteristics include: 1) more residences than people (41 percent single-family homes and 59 percent multi-family homes); 2) high percentage (approximately 60 percent) of homes consist of seasonal, recreational, or occasionally occupied (Mammoth Lakes); 3) Inyo County contains approximately 25 percent mobile homes; and 4) the percentage of homes built before 1979 are 65 percent in Inyo County and 56 percent in Mono County. There are a huge

percentage of homes that are not energy efficient, and have single-pane windows and poor insulation, that could benefit from appropriate programs.

Ms. Bold discussed the impact of (Public Safety Power Shutoffs) PSPS events. Initially there were a high number of events in Mono County, including 55 de-energize events, 351 monitoring times over 688 days, and 845 hours of total time de-energized. However, Southern California Edison Company, which provides electricity to the region, has made efforts to harden the grid, and there have been fewer PSPS events that have occurred over time. Yet, fuel generator permits in Mammoth Lakes increased four-fold in the first year after PSPS events. Additionally, HSEF has been working with small public agencies who qualify for the SGIP Equity and Resilience Program (which lowers the cost of energy storage through rebates). These small public agencies do not have sufficient staff to investigate, apply, and procure the resources available through this program, and it is important that they be implemented in the Eastern Sierra region. Finally, the PSPS events solidified the continued support for items such as woodburning stoves, landline phone service, and fuel snowblowers for resiliency.

HSEF's goal is to connect people to energy and environmental programs and funding sources. If the RuralREN is approved, HSEF will engage local communities and contractors through the proposed Residential Codes and Standards and Workforce Training Programs. Ms. Bold noted that there is limited knowledge of heat pump technology and also concern from the contractor community regarding heat pumps' efficacy in cold climates, hence additional education may be required. Lastly, there has been little interest in electrification in the area.

Given that the Eastern Sierra region does not have natural gas providers, funding is limited, and the area is not eligible for the TECH and BUILD programs and most other investor-owned utilities' (IOU) rebates are not available for large-scale retrofitting. For example, "The Switch Is On" program only provides a loaner induction stove that must be picked up in another area (Lawndale) and a \$50 rebate for an electric battery pack. The hope is that as more programs are developed, they will also be available in this region. Ms. Bold noted that it is harder to compete for affordable multi-family project funding without the ability to layer incentives.

In closing, Ms. Bold noted the following considerations:

- Funding is needed for incentives in areas without IOU support.
- Community microgrids to support Emergency Centers are needed, including in hyper-rural, hard-to-reach areas.
- Everything that is considered for extreme heat should be considered for extreme cold.
- Given the limited new construction in the region, focus is needed on retrofit/rehab and on unoccupied buildings.
- Consider expanding the Tariff on Bill pilot as it may have some benefits going forward.

7.3 Panelist 3 – Margaret Gordon, Co-Director at West Oakland Environmental Indicators Project

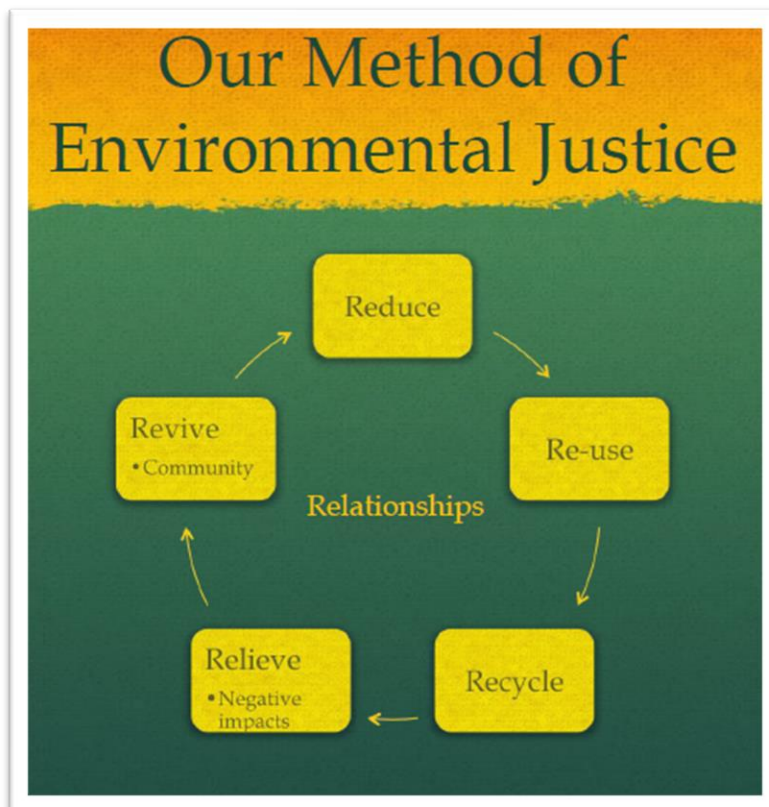
Ms. Gordon noted that West Oakland Environmental Indicators Project has partnerships with the U.S. EPA Region 9, Bay Area Air Quality Management District, and California Air Resources Board. Ms. Gordon stated that communities like West Oakland have been treated as disposable, have been impacted, and have been totally devastated over the past 50 plus years by public health issues such as asthma, cancer, and respiratory disease. Therefore, when assessing a

community for building decarbonization, the review must also include the community's history and how it became an impacted community. Otherwise, it is disingenuous and not transparent. Additionally, when most contractors go into the West Oakland community, they do not see the social value of the West Oakland community being part of the planning, process, negotiations, and the economics in the community. The Commission must take a holistic and comprehensive approach when evaluating the West Oakland community for building decarbonization.

Ms. Gordon highlighted that at 7th Street and Willow Street in West Oakland, there are still permits in place to allow trucks to park at the corner that increase pollution. West Oakland is already an impacted community for multiple levels of pollution, due to land use, proximity to major transportation corridors and CO2 emitters, and lack of enforcement of air quality standards. So when another agency such as the CPUC is endeavoring to decarbonize, it must engage with the community first.

Ms. Gordon noted community activism for her is innate, and she comes from a family of activists and community leaders.

West Oakland Environmental Indicators Project developed the following methodology for co-leadership with organizations entering and doing work within the community:



When asked for recommendations on how West Oakland can build an education or training program regarding decarbonization with the Commission so that the Commission can in turn work within the community to co-lead, Ms. Gordon answered that the Commission must first agree that it does not have all the authority for the project, and recognize that there are existing experienced individuals in the community who have the ability to work from the bottom-up to be able to develop a pathway for a solution. Additionally, contractors need to install equipment in affordable housing that will last for longer periods of time.

7.4 Discussant: Dr. Elena Krieger, Director of Research for Physicians, Scientists, and Engineers (PSE) for Healthy Energy; and Member, Disadvantaged Communities Advisory Group

Dr. Krieger noted that a systemic problem exists and decarbonization is going to have to take account of the systemic issues related to energy use, public health, and affordability that low-income and DACs are experiencing. As such, carbon and gas decommissioning must also be considered along with these issues and the burdens that California communities are currently struggling with. Summarizing the major themes addressed in Panel 1, Dr. Krieger noted housing affordability and quality issues were discussed, including how remodeling and upgrades are going to impact other issues such as displacement. Implementation of decarbonization efforts will be difficult across the state, but for different reasons. For example, one factor is the lack of access to contractors with knowledge of heat pump installation in the High Sierra versus poor rental conditions in Southern California that will require whole home upgrades before any other types of measures may be implemented. A multi-issue engagement approach is necessary that will address homes, affordability, public health, and provide solutions that will be sustainable for long periods of time.

Dr. Krieger stated that she wanted to address issues relevant to both her organization, PSE and the DACAG, of which she is a member. First, with respect to public health, combustion of natural gas in households produces health damaging air pollutants such as nitrogen oxides, that are particularly harmful to individuals with pre-existing conditions like asthma, in the young and elderly, or those living in households without fume hoods or proper ventilation. Many of these individuals are renters or low-income households. Places like West Oakland, that have historic pollution burdens from the ports and traffic are going to experience higher rates of asthma and other health burdens. Individuals within these communities are going to be more vulnerable to indoor gas combustion. Electrification can help reduce the indoor air pollutants. The DACAG, as a result, supports rapid transition away from gas combustion in households, particularly in DACs. However, this must happen in conjunction with the adoption of renewable energy efficiency across the board to ensure that clean electricity is used to power the clean appliances.

Although it is believed that gas combustion causes health hazards, we do not know everything about using gas within our homes. The CEC is funding a study to look at the impacts of electrification on children with asthma. The hope is that electrification is going to have positive health benefits. PSE is also conducting a study to understand the relationship between indoor air quality and human health and the potential burden of unburned natural gas. Dr. Krieger mentioned natural gas leaks from appliances and described another study wherein her own natural gas stove within her household was studied and found to be leaking methane not only when it is in use, but mostly when it is not in use. Gas also contains other constituents such as benzene, a carcinogen

that can also have potential health hazards and impacts. These will have the greatest impacts on individuals with underlying health conditions and those with poor ventilation within their homes.

There are benefits to prioritizing decommissioning in communities where populations might see the greatest health benefit. It is most effective to do all whole-home measures at the same time, but it is important to recognize that measures must be installed properly, otherwise pollutants may actually get trapped indoors, such as cooking by-products.

7.5 Summary of Q&A

Dr. Krieger posed a question to Ms. Gordon in terms of working with outside stakeholders on decarbonization and how relationships can effectively be built to work together. Per Ms. Gordon, although she mentioned co-lead during her presentation, she also stressed that she will continue to retain ownership of the overall process, not be solely led by anyone else, but to work in coordination and collaboration with others. Ms. Gordon further stated that agencies need to demonstrate co-leadership and build the relationships with the communities through planning how stakeholders will work together in project planning and development. Ms. Bold agreed, stating that often assumptions are made about what a community needs without having open two-way dialogue, which is vital. Commissioner Shiroma also agreed that it is important to hear directly from the communities and provide for their meaningful participation and contribution to problem solving.

The following question was posed: “Is the lack of access to IOU rebates directly due to the lack of natural gas service, is there access to electric rebates?” Ms. Bold responded stating that given her region is not served by natural gas providers, often they are not eligible for rebates. However, Ms. Bold believed that are some proceedings/initiatives that will eventually allow fuel-switching so that heating in rural areas can transition from propane or wood heat to electric heat pumps.

Commissioner Rechtschaffen asked Ms. Bold to clarify her recommendation regarding the Tariff on Bill pilot. Ms. Bold responded stating that her recommendation concerned her region’s struggle with obtaining more affordable housing and that often her region does not qualify for grants because of their inability to get above Title 24. So, if there was additional funding and if there was a tariff on bill for affordable housing projects, it would allow them to be more financially feasible.

Dr. Krieger asked Ms. Bold for any examples of technology and education transfer that would be a good model to follow for the Eastern Sierra region. Ms. Bold stated that in developing the business plan for the RuralREN, HSEF was inspired by the 3CRen, which included codes and standards training and also contains an overlay to workforce education and training. HSEF believes that the codes and standards should have localized training and outreach for technologies in specific regions, especially in their Climate Zone 16 that contains a vast array of climate characteristics.

8. PANEL 2: COMMUNITY SNAPSHOTS – HOMEOWNERS

Panel 2 Questions: *What are the challenges and opportunities to decarbonization experienced by low-income homeowners from different parts of the state? What suggestions do different communities and stakeholders have for Commission action?*

8.1 Panelist 1 – Hank Brenard, Environmental and Natural Resources Director at Bear River Band of the Rohnerville Rancheria

Mr. Brenard explained that his community received U.S. Department of Housing and Urban Development (HUD) grants, which were used to build 56 homes that, unfortunately, the residents could not afford to maintain. They had radiant heating. On an average income of about \$1,200/month, the homes were costing \$300/month to maintain. The system was therefore doomed from the start.. Although the homes had natural gas, they were outfitted with the cheapest appliances on the market. A lack of air movement and high humidity led to mold in the homes.. Mr. Brenard explained that these issues ultimately resulted in a \$500k grant from HUD to install heat pumps which work “magnificently” on the North coast.

Native Americans obtain college degrees at half the rate of white Americans, Mr. Brenard stated, in emphasizing the importance of on-site training and education to his community.. Mr. Brenard created a training program for reservation members where members of the tribe received training in HEPA filtration and solar installation, at the reservation. The on-site training program allowed many more people to attend than would have been possible if they had sent reservation members to a training center. Many homes now have solar and heat pumps as a result. Mr. Brenard observed that if you train the local community, you provide a sense of ownership and give a pathway to a career. An outstanding example of how this training can benefit members and the tribe is seen in the case of Jimmy Buy, who received EPA training in watershed management and building inspection and has started an orchard and blueberry farm on the reservation. The tribe recently hosted a conference that attracted 450 participants from different Native American communities to learn about training and partnership opportunities with different employers. He is seeking internship opportunities for his younger tribal members who are pursuing higher education.



8.2 Panelist 2 – Shana Lazerow, Legal Director at Communities for a Better Environment

Communities face historic inequalities that show up in their homes. There have been efforts, including workshops, to educate community members about what building decarbonization is and how it impacts rent and energy bills. Ms. Lazerow provided an overview of several communities in which her organization is actively engaged: Wilmington, Southeast Los Angeles, and East Oakland.

Wilmington Demographics. The racial demographics of Wilmington are as follows: Latino – 90%, African American – 5%, White – 3%. The poverty rate is in the 91st percentile state-wide and those that are housing-cost-burdened rank in the 94th percentile. Thirty-eight percent of homes are owner-occupied, 62% are renter-occupied. The community does not have many “mom and pop” landlords with 67% of the rental stock owned by investment companies. Wilmington is home to several oil refineries, and neighborhood oil drilling as it sits on the Warren oil field.

There is a need to address indoor air quality and to more broadly consider the building envelope so people can breathe safely in their homes.



Southeast Los Angeles. The racial demographics of Southeast Los Angeles are as follows: Latino – 95%, White –4%, African American – 1%. The poverty rate is in the 95th percentile state-wide and those that are housing-cost-burdened ranks in the 94th percentile. Residents of this community breathe some of the worst air in the nation. Consequently, there is a real need to upgrade the home envelope and allow for effective air filtration in these homes.



East Oakland. The racial demographics of East Oakland are as follows: Latino – 53%, African American – 35%, Asian American – 5%, White – 2%. The poverty rate is in the 92nd percentile state-wide, and those that are housing-cost-burdened ranks in the 94th percentile. There are small and large multi-family housing units along with many unhoused families who live in makeshift housing.



Many community members already cannot afford housing costs. In her January 24, 2022, workshop presentation, Ms. Lazerow expressed concern for community members and the very real threats to members if stakeholders are not intentional and careful in any transition away from the gas system.

Ms. Lazerow stated that there are many challenges that exist, including significantly higher upgrade costs because housing stock tends to be older. Cost will be the primary challenge to decarbonization of these dwellings. Ms. Lazerow's communities face the highest energy burden, and there is a lack of incentives for landlords to engage with community members regarding building decarbonization.

There are also opportunities. It is important to target benefits to low-income homeowners in environmental justice communities. Ms. Lazerow explained that there should be support for holistic decarbonization retrofits and climate resilient homes. There is an opportunity to design a one-stop-shop for retrofits along with tenant protections focused on preventing landlords passing through costs. Finally, there is an opportunity to better document and study the energy burden and bill savings.

8.3 Panelist 3 – Nic Dunfee, Associate Director of Building Decarbonization at TRC Companies

Background. Two million Americans live in manufactured housing, previously called mobile homes. These are homes fixed to a chassis with wheels, not modular homes. Ten percent of new home starts are manufactured housing. Their average cost is \$71,900; the median household income of manufactured housing buyers is \$30,000. These types of structures are considered personal property 77% of the time. The personal property designation presents a serious challenge to convincing an owner to invest in upgrades.

Manufactured housing makes up 3.5% of California housing, which is below the national average but growing rapidly. There are manufacturers shipping manufactured homes from many states, and they want to expand into California because its market is growing due to the housing crisis. Natural disasters make manufactured homes an appealing option because they are faster to occupy.



The advertisement features the TRC logo in the top right corner. The main title is "Advanced Energy Rebuild (AER)". Below the title is a photograph of a green manufactured home with a white porch. An orange banner in the top left of the photo reads "For Manufactured Homes". Below the photo is a green box with the text "REBUILDING A HOME? Funds are available for energy efficient construction". Underneath this is the heading "Advanced Energy Rebuild" followed by a paragraph: "The Advanced Energy Rebuild (AER) program provides up to \$7,000 per home in financial incentives to rebuild energy efficient manufactured homes after the Tubbs, Carr, and Camp wildfires." At the bottom, there is a small copyright notice: "© TRC Companies, Inc. All rights reserved."

Housing and Urban Development (HUD) Standards. HUD governs the standards for manufactured housing, which were last updated in 1993. HUD exempts these structures from most local and/or state building codes which allows for electric resistance technologies. As a consequence, folks going into all-electric manufactured homes frequently pay higher electric bills. Mr. Dunfee emphasized there was a need to incentivize heat pumps so as to avoid these higher bills. However, heat pumps must be built in at the factory. Once manufactured, it is difficult to change from electric resistance to heat pumps, and it is usually not an option for the owner. Because the HUD governs the standards, federal regulations need to change to incorporate heat pumps. It is essential to not forget about efficiency. Manufactured housing is being used for replacement of homes burned in the Tubbs, Carr and Camp wildfires in California.

8.4 Summary of Q&A – Led by Dr. Elena Krieger

Q1 for Ms. Lazerow: How to use one-stop shops, and how to engage with landlords? Ms. Lazerow: There is a lot of discussion how these should look and operate. Every community has different access needs. It's important to interact with landlords through a community-driven process.

Q2 for Mr. Brenard: You said a lot of the funding came from the workers' development program...do you see any success to integrate funding streams (workforce and home upgrades). Mr. Brenard: It's very hard to find funding for maintenance or technical training. Funding for workforce development is higher than funding for homes. There is all kinds of funding

for communities impacted by COVID or opioid impacted. He was able to use the demographics of the high rate of alcohol abuse on the reservation to get funding for workforce development. Seven tribal members received training for installing heat pumps, and their cost to install went down from \$20,000 per home to \$3,000.

Q3 for Mr. Dunfee: Is there an opportunity to leap forward after wildfires/natural disasters...are there other ways to integrate resilience? Mr. Dunfree: We need to bring HUD standards up. Also, build higher resiliency with better quality materials like rock wool into walls. Rock wool is very fire and water resistant.

9. PANEL 3: MINIMIZING GAS RATE INCREASES DURING THE TRANSITION

Panel 3 Question: *Strategies such as accelerated depreciation, securitization, and fixed charges have been proposed to manage potential rate increases during the gas transition. What are the pros and cons of each of these methods?*

9.1 Panelist 1 – Mike Florio, Consultant and Former CPUC Commissioner
Moderator: Merrian Borgeson, Senior Scientist at Natural Resources Defense Council (NRDC)

Accelerated Depreciation. In traditional utility rate making we use straight line depreciation. For example, if a gas line is expected to last 50 years, then 2% is recovered every year. If we are looking at long-term decline in demand, the question is whether we can approach that in a different way, e.g., accelerate depreciation to 4% per year, so that there are not fewer people left at the end to pay for the remaining depreciation. There are always tradeoffs. Accelerated depreciation results in larger rate increases in the near term. PG&E is already looking at double digit percentage increases in gas rates. The question is how much more can you add for accelerated depreciation. Shifting costs around in time has some advantages but potentially may burden most the vulnerable people we are concerned about. The basic concept is to pay more now while there are more people on the system as opposed to leaving all the costs on fewer consumers at the end.

PG&E is proposing to depreciate pipelines based on expected use called units of production, instead of an equal amount every year. It's a higher amount in the earlier years when we expect greater utilization and less recovery in later years when we expect usage to be lower. The challenge is the upfront financial burden. This is a time equity approach.

9.2 Discussion – All Panelists and Commissioners

Commissioner Rechtschaffen: Do you have any examples of incremental cost rate making? Mr. Florio: Not so much at distribution level. But when PG&E brought in Canadian gas, the CPUC required users of their new line to pay an incremental rate. This also happened to SoCalGas with the Kern River line. The incremental above the average costs would be assigned to the people causing the cost to be incurred.

Commissioner Shiroma: Are there any funding sources that are equity focused during a transition from gas to electricity? Ms. Borgeson: We are hoping for federal funds, but nothing now. They would typically be upfront but not rate related. There may be State money available including \$922 million that would focus on low income and enable the transition to all-electric.

Commissioner Houck: What if a landlord refuses to convert to electric, and the renter pays the bills? Ms. Borgeson: That's a huge issue. There is a split incentive. Forty to fifty percent of the state's population are renters. We must enable landlords to convert and perhaps explore a program specifically for rental property owners to replace equipment more easily or more cheaply. Landlords are required to provide heat but not cooling (pending bill). Mr. Florio: The San Joaquin Valley pilot was an example where the Commission required landlords to enter into renter protection agreements as a condition of receiving the generous subsidies. Other additional tools would be to address through (1) a modification to the obligation to serve or (2) a retrofit on sale requirement.

Commissioner Reynolds: Is there a point in the transition when we reconsider whether a gas supplier is a regulated utility? Mr. Florio: He could imagine that only at the very end of the process. The difficulty is if people still use gas and are not in a position to switch. Those customers need protection. This idea would be a couple decades away.

Commissioner Reynolds: How do we think about the obligation to serve when we are thinking about renters? Mr. Florio: The traditional obligation to serve goes back to common law, but in California Section 328 of the public utilities code requires gas utilities to provide gas service to any core customer who wants it. An amendment would be needed that says if an alternative fuel provides the same end use (i.e., heat) then the gas utility can be relieved of that obligation. Landlord-tenant issues are always fraught with difficulty. From the Commission standpoint, the Commission is essentially limited to setting the rates.

9.3 Summary of Final Q&A

Jonathan Bromson mentioned that the CPUC Workshop in the Long-Term Gas System Proceeding (R. 20-01-007) held on Jan. 24, 2022, discussed the Obligation to Serve amongst other topics and can be found at this link: <https://www.youtube.com/watch?v=m7-ybGnqIsc>

AB 2597 (Bloom) Information:

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB2597

Jennifer West Chan: It would be painful to see subsidies go to corporate landlords, so how can we discern differences in those situations? Mr. Florio: The landlord should need to agree to renter protections such as rent protections and anti-evictions. It is reasonable to have some limitations if subsidies are being offered.

Does AB 2597 apply only to new construction? Ms. Borgeson: It is a housing code that would apply to all housing.

How do you address the cultural attachment to gas cooking? Ms. Borgeson: There has been a lot of marketing and a push on the higher end for electric induction cooking. There will need to be more marketing efforts that will change over time. Mr. Florio: It would be great to have celebrity chefs use induction cooking.

Appendix A



R.20-01-007 Track 2 Workshop 3: Gas Infrastructure Equity

March 29, 2022 | 9:30 a.m. – 1:00 p.m. | Remote participation only

Remote Participation Link:

<https://cpuc.webex.com/j.php?MTID=m13f1e2cf4a59b7d89ec535828e85c49a>

Call-In: 1-415-655-0002

Meeting Access Code: 2497 390 8390 Event Password: equity

Workshop Purpose: This workshop is focused on the equity issues facing different low-income communities in California. Its purpose is to engage with stakeholders on questions related to equity and the natural gas transition, to inform the Long-Term Gas Planning Rulemaking as a whole, and to begin discussion of rate issues that will be the subject of another workshop in October 2022.

Intended Outcome: Participants and attendees will have a better understanding of the challenges facing different communities and stakeholders and the issues to be addressed in this proceeding.

WORKSHOP AGENDA

9:30 – 10:00	Welcome, Overviews Energy Division Staff — Workshop Logistics Welcome from Commissioners Nicole Cropper — Environmental and Social Justice Action Plan & Introduction to the Disadvantaged Communities Advisory Group (DACAG) Jean Spencer — Gas Long-Term Gas Rulemaking R.20-01-007 Track 2 Overview
10:00 – 10:40	Panel 1: Community Snapshots—Landlords and Renters What are the challenges and opportunities to decarbonization experienced by renters and landlords from different parts of the state? What suggestions do different communities and stakeholders have for Commission action? Chelsea Kirk, <i>Policy Analyst, Strategic Actions for a Just Economy (SAJE), Principal Author of Los Angeles Building Decarbonization: Tenant Impact and Recommendations</i> Pam Bold, <i>Executive Director, High Sierra Energy Foundation</i> Margaret Gordon, <i>Co-director, West Oakland Environmental Indicators Project</i>
Discussant:	Dr. Elena Krieger, <i>Director of Research, Physicians, Scientists, and Engineers (PSE) for Healthy Energy and DACAG Member (Confirmed)</i>
10:40 - 10:50	Q & A

¹ The scope of Track 2 can be found in the Assigned Commissioner's Amended Scoping Memo and Ruling here: <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M436/K692/436692151.PDF>

10:50 - 11:30	<p>Panel 2: Community Snapshots: Homeowners What are the challenges and opportunities to decarbonization experienced by low-income homeowners from different parts of the state? What suggestions do different communities and stakeholders have for Commission action?</p> <p>Hank Brenard, <i>Environmental and Natural Resources Director, Bear River Band of the Robnerville Rancheria</i> Shana Lazerow, <i>Legal Director, Communities for a Better Environment</i> Nic Dunfee, <i>Associate Director of Building Decarbonization, TRC Companies</i></p>
Discussant:	Dr. Elena Krieger, <i>Director of Research PSE Healthy Energy and DACAG Member</i>
11:30 – 11:40	Q&A
11:40 – 11:55	Stretch Break
11:55 – 12:15	<p>Panel 3: Minimizing Gas Rate Increases During the Transition Strategies such as accelerated depreciation, securitization, and fixed charges have been proposed to manage potential rate increases during the gas transition. What are the pros and cons of each of these methods?</p> <p>Mike Florio, <i>Consultant and Former CPUC Commissioner</i> Moderator: Merrian Borgeson, <i>Senior Scientist, Natural Resources Defense Council (NRDC)</i></p>
12:15 – 12:30	All Panelists and Commissioners – Discussion
12:30 – 12:55	Q&A (Open to All)
12:55 – 1:00	Closing Remarks – CPUC Staff & Commissioners

Note: It is expected that one or more CPUC Commissioners may attend and participate in the workshop. One or more advisors to the CPUC Commissioners, as well as other decision-makers, may also be in attendance. The agenda will be publicly noticed on the CPUC's Daily Calendar 10 days in advance, so statements made at the workshop will not constitute a reportable *ex parte* contact. The workshop will be recorded. This agenda is subject to change