Center for Sustainable Energy®

9325 Sky Park Court
Suite 100
San Diego, CA 92123

main 858.244.1177
fax 858.244.1178
www.energycenter.org

DATE: **December 23, 2016**

TO: **Strategic Growth Council (SGC)**

Submitted electronically: ahsc@sgc.ca.gov

FROM: **Center for Sustainable Energy®**

RE: ***Response Regarding the Strategic Growth Council's (SGC) Lessons Learned Workshops***

Introduction

The Center for Sustainable Energy® (CSE) is pleased to provide this response regarding the *Strategic Growth Council's (SGC) Lessons Learned Workshops* to reflect on the 2016 round of the Affordable Housing & Sustainable Communities (AHSC) Program.

CSE is a nonprofit organization headquartered in California that works with policymakers, public agencies, local governments, utilities, and business and civic leaders to transform the energy marketplace and accelerate the transition to a clean energy future. This future depends on a strong, low-carbon economy that provides abundant jobs and business opportunities, a high quality of life, and a clean and healthy environment.

CSE supports the efforts underway by the SGC through the AHSC Program, and appreciates the public engagement undertaken through the AHSC workshops. In this response, CSE attests to the importance of installing clean energy technologies as a tactic to support carbon emissions reductions in the AHSC program, a method to pursue the SGC's sustainability objectives, and as a tool to support the continued alignment of the AHSC program with California's deep GHG emissions reduction goals.

CSE provides the following comments:

1) 2015-2016 AHSC Investments Have Limited Clean Energy Technology Integration

CSE appreciates AHSC's diverse scope of investments which, from CSE's perspective, are aligned with the SGC's Sustainability Objectives,[1] adhere to the AHSC program goals,[2] and align with the funding distribution parameters of the Greenhouse Gas Reduction Fund. However, the AHSC Program's 2015-2016 approved projects seem to have minimal investment in clean energy technology.

---

[1] *Established in Senate Bill (SB) 732 and adopted by the SGC, SGC's Sustainability Objectives are to: a) Improve air and water quality, b) Improve protection of natural resources and agricultural lands, c) Preserve and develop affordable housing for lower income households, d) Improve public health, e) Improve transportation, f) Encourage sustainable land use plans and greater infill development, g) Revitalize urban and community centers in a sustainable manner and h) Reduce greenhouse gas emissions.*

[2] *AHSC Program Goals: Result in the reduction of greenhouse gas emissions and vehicle miles travelled (VMT), and increase accessibility of housing, employment centers and key destinations through low-carbon transportation options such as walking, biking and transit.*

While CSE does not have access into the details of each 2015-2016 application, the Award Project Summaries for 2015-2016 suggest limited clean energy technology investment.[3] Of 25 total projects, only four seem to have clean energy technology touchpoints: one project contains a solar photovoltaic (PV) project, one specifies LEED® Gold, one specifies LEED® Silver and energy efficiency measures, and one promotes renewable energy workforce training. None of the 2015-2016 funded project summaries include discussion of plug-in electric vehicle (PEV) charging, energy storage, high-performance building design, as well as other clean technologies.

Fundamentally, clean energy technology integration will empower the affordable housing multiunit residential tenant to be an active participant in a clean energy future, with technology that is capable of providing energy that is abundant, reliable, sustainable and, with modern technology and controls, flexible, and thus are ideal to power AHSC Program investments.

2) Prioritizing Accelerated Clean Energy Technology Integration in the AHSC Program Is Consistent with the SGC's Sustainability Objectives Policy Framework

Consistent with the SGC's Sustainability Objectives, accelerated clean energy technology integration in AHSC projects:

- **Contributes to air quality improvement** by managing and lowering energy consumption, and putting less demand on the grid. For vehicles, zero-emission vehicles (ZEVs) replace fossil fuel miles with electric miles, contributing to an overall increase in air quality;
- **Protects natural resources** by avoiding the use of fossil fuels;
- **Preserves affordable housing for lower income households** by deploying cutting-edge technology to ensure continued affordability of housing for these residents, while presenting an opportunity to introduce and improve access to clean technologies for AHSC Program residents;
- **Improves public health** by reducing fossil fuel combustion, GHG emissions, and other emissions;
- **Improves mobility** by deploying a diverse array of ZEVs which cost less to operate;
- **Encourages sustainable land use plans and greater infill development** by promoting clean energy technology portfolios as multifaceted tools that can be used to directly support sustainable land use planning;
- **Revitalizes urban and community centers in a sustainable manner** by being able to provide an optimal community-based, sustainability solution in any location, including those with high density and in turn high energy consumption;
- **Reduces GHG emissions** by using Solar PV (an energy with no GHG emissions), energy storage (which collects excess solar PV generation for dispatch during high energy demand periods), networking technology (which leads to better energy system management via high-efficiency equipment), plug-in electric vehicles (which support the state to transition to low and no GHG emissions vehicle miles) and networked PEV fleets (which can provide grid support as distributed energy resources consistent with state policy goals).

[3] *2015 - 2016 AHSC Award Project Summaries, Appendix B; Website Access; http://sgc.ca.gov/resource%20files/10112016AHSCFY1516AppendixB.pdf.*

3) A New AHSC Funding Tier with A 'Fast Track' Approval Process for Clean Energy Technology Projects Is Recommended

The SGC should consider establishing a new tier of funding in AHSC that will allow for projects that have already been authorized[4] to add clean energy technologies such as higher-efficiency equipment, onsite generation and energy storage, electric vehicle charging, to their currently approved investments—essentially creating 'fast track' approval process for existing investments and partners that have projects that are fully designed and shovel-ready.

This strategy would encourage collaborative efforts between 'successful' projects and clean energy technology providers, provide additional incentives to improve the efficiency of a scoped project or incorporate additional clean energy technologies, and utilize existing and detailed planning and permitting efforts to enhance the overall quality of a project and reduce its carbon footprint—all of which can lead to the decrease in duplicative efforts and project investment costs.

By providing these incentives at the time of construction, AHSC increases the marginal value of GHGs reduced per dollar invested. As such, the proposed 'fast track' program modification presents an opportunity to contribute to even deeper GHG emissions reductions in the AHSC program investments.[5]

Conclusion

CSE appreciates the opportunity to provide these comments regarding the SGC's lessons learned workshops for the AHSC Program. Please continue to consider CSE a resource on these and other matters, and feel free to reach out to Paul D. Hernandez, CSE's Transportation Electrification Policy Manager, with any questions or for clarifications regarding these comments.

Respectfully Submitted,

Paul D. Hernandez
Transportation Electrification Policy Manager
Center for Sustainable Energy®
paul.hernandez@energycenter.org

[4] *This application process could take the form of a reapplication, or could be an opportunity to submit an application for additional funding under these provisions.*

[5] *Although priority should be placed on the affordable housing California builds moving forward, the SGC should also consider allowing access to this type of program for the state's already existing affordable housing units. This tactic would encourage the continued modernization of California's entire affordable housing infrastructure.*