

Equity & Market Support Working Group: Equity-related Definitions

Decision 23-06-055 Definitions (June 29, 2023)

- **"Equity Market Participants"** = an equity program participant that is identified by at least one of the equity segment flags in CEDARS (e.g., hard-to-reach, disadvantaged, or underserved)
- **"All equity segment participants"** means all of the participants that participated in an equity segment program, regardless of whether they are an equity target participant or not
- "...PAs must design their **equity segment programs** to reach, serve and ultimately benefit hard-to-reach and/or underserved customers and/or disadvantaged communities. Customers that may not be considered part of the equity segment will not be precluded from participating in equity segment programs but equity programs must be designed to target (i.e., market and conduct outreach to) and to primarily serve equity segment customers" (Pages 42-43)
 - "...equity segment programs should be designed to specifically serve customers (or groups of customers) meeting the criteria specified by PUC Code Section 1601(e) and, if applicable, Government Code Section 12100.63(h)(2)" (page 46-47)
- **"Underserved"**
 - Residential and Public sectors: An underserved customer is a member of an underserved community, as defined by PUC Code Section 1601(e)
 - PUC Code Section 1601(e): "Underserved community" means a community that meets one of the following criteria:
 - Is a "disadvantaged community" as defined by subdivision (g) of Section 75005 of the Public Resources Code
 - Is included within the definition of "low-income communities" as defined by paragraph (2) of subdivision (d) of Section 39713 of Health and Safety Code
 - Paragraph (2) of subdivision (d) of Health and Safety Code Section 39713: "Low-income communities" are census tracts with median household incomes at or below 80 percent of the statewide median income or with median household incomes at or below the threshold designated as low income by the

Department of Housing and Community
Development's list of state income limits adopted
pursuant to Section 50093.

- Is within an area identified as among the most disadvantaged 25 percent in the state according to the California Environmental Protection Agency and based on the most recent California Communities Environmental health Screening Tool, also known as CalEnviroScreen
- Is a community in which at least 75 percent of public school students in the project area are eligible to receive free or reduced-price meals under the National School Lunch Program
- Is a community located on lands belonging to a federally recognized California Indian Tribe
- Commercial, Industrial, and Agricultural sectors: An underserved customer must be a member of an underserved community and must also be an "underserved business group" as defined by Government Code Section 12100.63(h)(2) for the CA Small Business Development Technical Assistance Program, i.e., women-, minority-, and veteran-owned businesses, and businesses in low-wealth, rural, and disaster-impacted communities included in a state or federal emergency declaration or proclamation
- **"Hard-to-reach"** - definition most recently established in D.18-05-041; any proposal for a modified definition must include concrete data and analysis; Decision at pages 51-52:
 - The modified definition of 'hard-to-reach' adopted by this decision [D.23-06-055] is:

California Native American Tribes are hard to reach; our state's historical dispossession of Tribes now requires deliberate effort to overcome persistent barriers to providing energy efficiency programs and services to Tribes. California Native American Tribes are defined consistent with the Commission's Tribal Consultation Policy, and any subsequent modification(s).

Specific criteria were developed by staff to be used in classifying a customer as hard-to-reach. Two criteria are considered sufficient if one of the criteria met is the geographic criterion defined below. If the geographic criterion is not met, then at least three (other) criteria must be met. The exception is for California Native American Tribes, who do not need to meet any additional criteria.

There are common as well as separate criteria when defining hard-to-reach for residential versus small business customers. The barriers common to both include:

Customers who do not have easy access to program information or generally do not participate in energy efficiency programs due to a combination of language, business size, geographic, and lease (split incentive) barriers. The common barriers to consider include:

- Geographic criterion –
 - Businesses or homes in areas other than the United States Office of Management and Budget Combined Statistical Areas of the San Francisco Bay Area, the Greater Los Angeles Area and the Greater Sacramento Area or the Office of Management and Budget metropolitan statistical areas of San Diego County, or
 - Businesses or homes in disadvantaged communities, as identified by the California Environmental Protection Agency pursuant to Health and Safety Code Section 39711.
- Language criterion – Primary language spoken is other than English.

For small business added criteria to the above to consider:

- Business Size – 25 or fewer employees and/or classified as Very Small (Customers whose annual electric demand is less than 20 kilowatt (kW), or whose annual gas consumption is less than 10,000 therm, or both), and/or
- Leased or Rented Facilities – Investments in improvements to a facility rented or leased by a participating business customer.

For residential added criteria to the above to consider:

- Income - Those customers who qualify for the California Alternative Rates for Energy, Energy Savings Assistance, or the Family Electric Rate Assistance Programs, and/or
- Housing Type - Multi-family and Mobile Home Tenants (rent and lease)

For the public sector, customer classified as "local government" that meet the geographic criterion above may also be considered hard-to-reach

Decision 21-05-031 Definitions (May 20, 2021; page 14)

- **Resource Acquisition:** Programs with a primary purpose of, and a short-term ability to, deliver cost-effective avoided cost benefits to the electricity and natural gas systems Short-term is defined as during the approved budget period for the portfolio, which will be discussed further later in this decision. This segment should make up the bulk of savings to achieve TSB goals.
- **Market Support:** Programs with a primary objective of supporting the long-term success of the energy efficiency market by educating customers, training contractors, building partnerships, or moving beneficial technologies towards greater cost-effectiveness.
- **Equity:** Programs with a primary purpose of providing energy efficiency to hard-to-reach or underserved customers and disadvantaged communities in advancement of the Commission's Environmental and Social Justice (ESJ) Action Plan; Improving access to energy efficiency for ESJ communities, as defined in the ESJ Action Plan, may provide corollary benefits such as increased comfort and safety, improved indoor air quality, and more affordable utility bills, consistent with Goals 1, 2, and 5 in the ESJ Action Plan.

ESJ Action Plan Version 2.0 Definitions (April 7, 2022)

- **"Environmental and Social Justice Communities"** or "ESJ Communities" are low-income or communities of color that have been underrepresented in the policy setting or decision-making process, are subject to a disproportionate impact from one or more environmental hazards, and likely to experience disparate implementation of environmental regulations and socio-economic investments in their communities. In addition, ESJ communities include:
 - **Disadvantaged Communities**, defined as census tracts that score in the top 25% of CalEnviroScreen 3.0, along with those that score within the highest 5% of CalEnviroScreen 3.0's Pollution Burden but do not receive an overall CalEnviroScreen score;
 - All Tribal lands;
 - Low-income households; and
 - Low-income census tracts.