APPENDIX A

IREC's Proposal for a
Pilot CleanCARE Program

CleanCARE—Investing-⬜In-⬜Communities-⬜⬜⬜

This proceeding seeks to examine potential rate proposals based on residential rate design first of those principles—income and medical baseline customers should have access to enough electricity to ensure basic affordable cost. At the same time, the Commission seeks to base cost causation principles and to encourage economically efficient decisions.

To advance both of these sometimes conflicting goals, IREC is option— CleanCARE — that would low-income and medical baseline customers with access to affordable energy while providing a strong connection between cost causation and customer usage. Under CleanCARE, funds allocated to the CARE customers would invested in the development shared distributed generation couple energy efficiency storage and demand response. CARE customers electing the CleanCARE option would shares that would offset a portion of their monthly bills, with bills to levels equivalent to customer bill CARE under program. In this respect, the CleanCARE option opportunities increase for income households participate in renewable energy while options maintaining average the rate levels and benefits of the current CARE program.

IREC believes that the CleanCARE program has significant potential to principles outlined in this proceeding believe that there is real value CleanCARE option as part design proposals resulting from IREC proc intends this proposal to be a starting point of discussion on CleanCARE program option would fit into the residential rate design developed in this proceeding, whether that rate design includes pricing, modification of the current tier structure, or modification other ways.

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How-⬜⬜⬜would-⬜CleanCARE-⬜⬜⬜work?-⬜⬜⬜

Currently, the CARE program provides discounted electricity and gas approximately 3.3 million low-income enrollees. However, the CARE program structured as a direct discount not provide roles path participate in California's renewable energy programs, which are among the most country. The CleanCARE program option would provide portion option the current CARE program cost toward renewable generation for customers.

Initial-⬜pilot-⬜program: CleanCARE could be introduced from a pilot example, it could begin with limited voluntary enrollment in a particular regio

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[1] November 26 Scoping Ruling, Appendix A, pg. 1

with high levels of participation in CARE the program or large numbers who have high energy usage. This framework would allow for identification of "in-community" renewables and focus outreach efforts on a part of creating a sample customer base for a pilot program input could from interested parties

Program Administration: Depending program design, administrative costs may be relatively low. For example, utilities already have information on CARE enrollees' and energy usage which could be used to identify potential pilot program. Outreach efforts for Energy Savings Assistance Program (ESAP) initial CARE enrollment could be leveraged to keep enrollment cost

It is IREC's understanding that California-based investor utilities handle the administration of the CARE program in their respective service ter organizations and contractors assisting in various capacities related to delivery, enrollment and verification. At present, IREC is not aware with utility management of the CARE program. Accordingly, while CleanCARE could be overseen by a number of different entities utilities, or a nonprofit/NGO, we believe an efficient delivery could be real by maintaining CleanCARE as an offering within the broader CARE the state's investor-owned utilities. However, we are open to discussing an program delivery frameworks with interested stakehold

Shared distributed generation: The renewable distributed generation under CleanCARE could take the form of shared renewable generation of

- Some percentage of facilities (e.g., 30 percent) would be sm (e.g., 30-100 kW) located within low-income communities and could inc rooftop solar and small-scale wind
- The remaining capacity would be larger-scale renewable gen 20 MW) located in optimal locations on the electricity grid local distribution utility.

Utilizing shared renewable generation allow for economies of scale programmatic basis by facilitating the installation of systems larger site programs while also addressing the fact that many CARE e program for a relatively short period of time. A shared renewa CleanCARE would also complement California's extremely successful Singl Affordable Solar Homes (SASH) and Multi-family Affordable Solar programs by increasing program options for low-income CARE enrollees living in single-family homes would be able to choose betw and CleanCARE for example. Such an option could extend utili to a broader range income households, since some low-income unable to host a system for a variety of reasons. CleanCARE these families to participate in renewable energy.

Standard-Retail-Rate: CleanCARE enrollees would remain on their utility's residential rate structure of receiving discounted rates. Access to affordable electricity would be achieved by reduced overall energy *bills* rather energy *rates.* This shift would be an important improvement over the program because it would provide CleanCARE participants with greater concerning the cost of their energy consumption thereby increasing their energy costs directly based on consistent pricing signals over during enrollment in the CARE program and afterwards if the CARE rates. Moreover, the CleanCARE program would better link principles and would encourage participating customers to conserve. important because many current CARE enrollees are only temporarily but energy cost management decisions can continue to provide be program.

Clean-Energy-Package: A portion of the costs associated with the would be shifted into investment in a robust "clean energy pac would be designed into equivalent or better monthly bill for Clean as compared to bills they would have received under CARE program. In to achieve such bill savings enrollees, the "clean energy package" begin with targeted efficiency upgrades to lower the enrollee's over consumption. Bill credits from shared renewable generation stemmin investment in shared renewable generation such as solar and wind an further lower the's bill down to levels seen in the existing

Clean-Energy-package-development: The concept of the "clean energy intentionally left flexible enough for development and offering of of targeted measures that meet the needs of CleanCARE enrollees. allow for packages to include an appropriate mix renewable energy efficien distributed generation to achieve cost bill savings while enrollees using energy storage and demand response to drive grid benefits. Progr their agents overseeing the program would be required to identify assess their energy needs, and develop a plan to meet those parameters. Our discussions with organizations working in communities on energy issues show broad support for this idea of a stable, designed to support investment in a holistic "package" of services their energy needs.

Funding-the-clean-energy-package: There are several available to develop a funding mechanism for CleanCARE resources. Examples of ways to fun shared renewable include a feed-in tariff mechanism similar to the Renewable Auction Mechanism (RAM). Regardless of the mechanism would be critical to secure funding for the "clean energy pack income stream would be locked in for a significant number of years). of Long-term funding of the CleanCARE program is essential becau would not be "buying down" the upfront cost of their participa other renewable energy programs.

The ESAP could fund energy efficiency offerings participation in ESAP could be coordinated with the CleanCARE program enrollment process to ensure enrollees receive energy efficiency upgrades to reduce their consumption enrollment in CleanCARE. Similarly, coordination between CleanCARE and response programs targeted at residential customers, such as Electric San Company's Summer Saver program, could be increased to drive over and grid benefits.

Each aspect of the "clean energy package" would contribute to CleanCARE's success.

- ✓ It should offer renewable distributed generation in a package enrollee's individual situation.

- ✓ It should complement and be coordinated with existing energy funded within the CARE program consistent with California's lo puts energy efficiency at the top of the resource stack.

- ✓ It should combine renewable distributed generation with energy demand response in ways that maximize benefits to both an en the electricity grid.

- ✓ It should promote investment in low-income communities in employment opportunities via direct investment in shared renewal generation within enrollee's community.

- ✓ It should ensure that the entire California package achieves longer-term climate and energy policy objectives, including supporting market growth efficiency, renewable distributed generation and energy storage.
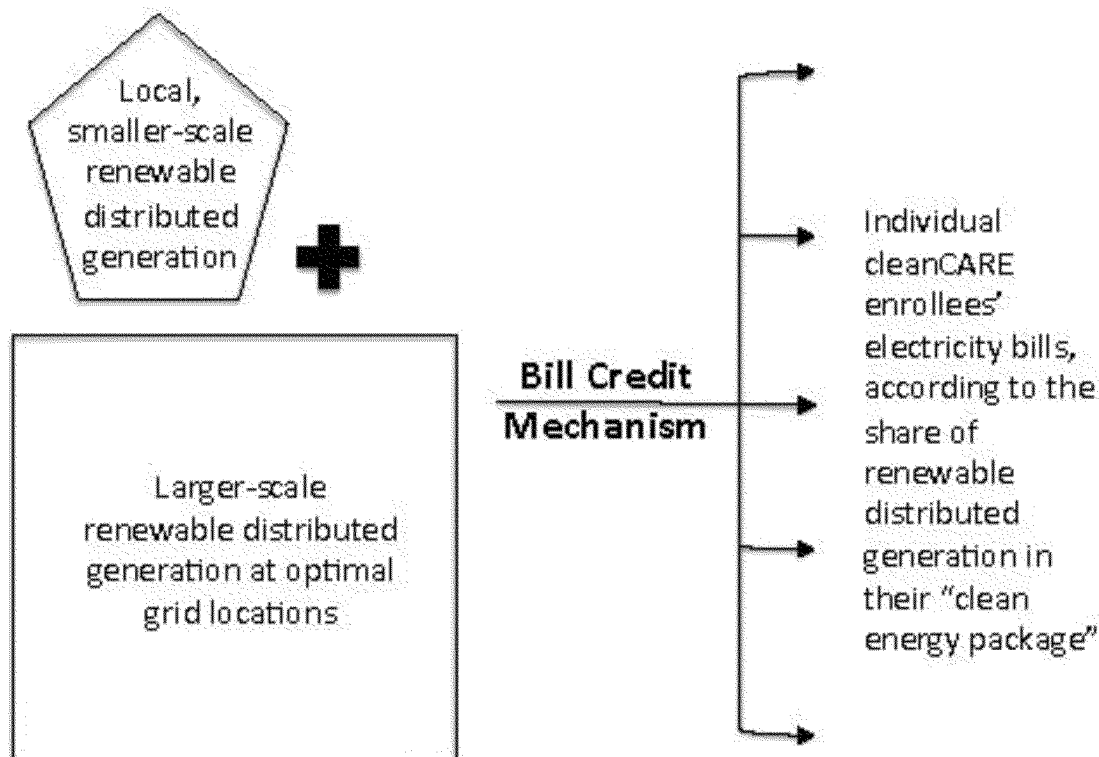
Bill-Credit-Mechanism: To mitigate the bill impacts of this transi would receive energy efficiency improvements to lower their overall e and then a bill credit associated with renewable DG developed under program that would ensure that their electricity bills would be better) than they experience currently under the CARE program.

Moreover, to further address cost concerns, CleanCARE could be designed to unlock broader grid benefits by targeting areas of the grid identified by the local distribution utility as benefiting from renewable distributed generation and possibly energy storage. These benefits would flow to the local utilities' ratepayers as a whole.

Benefits of CleanCARE

The cornerstone of the CleanCARE program is that it would achieve the same beneficial bill impacts for enrollees as the current CARE program, and could empower program participants to achieve even better results. In addition, low-income customers enrolled in CleanCARE would be able to enjoy the benefits of renewable energy generation, which have typically had high-cost barriers to participation. Because enrollees would be served under their utility's standard retail rates, CleanCARE would more directly and continuously provide the same price signals as other customers, instead of masking those signals with below-cost rates. In the longer term, this should provide these customers the information about rates that they need to continue to make long-term decisions about energy conservation and efficiency. Finally, as part of installing shared generation in

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CleanCARE enrollees' communities, CleanCARE could promote local, green communities.

CleanCARE should also drive down rates for all California energy consumers as it represents a more efficient use of ratepayer funds for low-income assistance. Importantly, if implemented quickly, development of CleanCARE would allow California to leverage the federal Tax Investment Credit, set to expire in 20 result in a 30 percent reduction in the renewable project production used to serve the program with an additional 20 percent reduction depreciation. Additionally, by installing renewable distributed generation the grid identified as benefiting from DG, CleanCARE would ma benefits from the program, which in turn should help to drive rates over time.

Beyond these benefits, the modifications to the CARE program embodied in CleanCARE are aligned with California's overall renewable energy goals. These include the Commission's loading order, the 33 percent Renewable the Governor's 12,000 MW distributed generation goal.