
**SENATE COMMITTEE ON ENERGY, UTILITIES AND
COMMUNICATIONS**
Senator Ben Hueso, Chair
2019 - 2020 Regular

Bill No: AB 386 **Hearing Date:** 7/10/2019
Author: Eduardo Garcia
Version: 3/5/2019 As Amended
Urgency: No **Fiscal:** Yes
Consultant: Abraham Mendoza, Nidia Bautista

SUBJECT: Agricultural Working Poor Energy Efficient Housing Program

DIGEST: This bill establishes the Agricultural Working Poor Energy Efficient Housing Program to improve energy efficiency in farmworker housing and requires it to be administered by the Department of Community Services and Development (CSD).

ANALYSIS:

Existing law:

- 1) Establishes the Joe Serna Jr. Farmworker Housing Grant Program, which authorizes the Department of Housing and Community Development (HCD) to provide financing for new construction, rehabilitation, and acquisition of owner-occupied and rental units for agricultural workers, with priority given to low-income households. (Health and Safety Code §§50515.2-50517.10)
- 2) Tasks CSD with implementing several types of federal assistance to help low-income households meet their energy needs. (Government Code §§12085-12091 and 16366.1-16367.8)
- 3) Establishes a charge on electricity and natural gas consumption to fund cost-effective energy efficiency and conservation activities. (Public Utilities Code §§381 and 890)

This bill:

- 1) Directs CSD to develop and administer the Agricultural Working Poor Energy Efficient Housing Program by expending moneys appropriated by the Legislature to improve energy efficiency in farmworker housing.
- 2) Specifies that program funds are to be used to fund energy-efficient projects including, but not limited to, the following:

- a) Weatherization of homes and other residences;
 - b) Replacement of energy inefficient appliances with Energy Star-certified appliances;
 - c) Replacement of lighting with light-emitting diode, commonly known as LED, lighting;
 - d) Installation of photovoltaic solar panels and solar water heating systems and bringing farmworker housing into compliance to allow installation of those systems;
 - e) Installation of battery backups.
- 3) Directs CSD, when distributing program funding, to give preference to an association of federally designated farmworker organizations and other organizations that have a proven track record of assisting farmworkers.
 - 4) Establishes a number of program requirements, including that CSD consult with the California Public Utilities Commission (CPUC) and the California Energy Commission (CEC) in developing the program to avoid duplication with the energy-efficiency programs supervised by those commissions, and that CSD submit a report to the Legislature on program performance, as specified.

Background

Energy assistance programs for low income Californians. California currently offers several programs for low-income residents, some administered by the CSD, others by the state's investor-owned utilities (IOUs). The table below summarizes existing assistance programs. CSD administers three low-income energy assistance programs: the federal Low Income Home Energy Assistance Program (LIHEAP), the Weatherization Assistance Program (WAP), and the state-funded Low Income Weatherization Program (LIWP). Each of the three weatherization programs administered by CSD provides energy-efficiency services to eligible low-income households, both homeowners and renters, by installing a range of weatherization upgrades to reduce energy usage, improve resident comfort, and provide monetary savings to the residents. To administer these programs, the CSD reports that it contracts with a network of private, nonprofit, and local government community-based organizations to provide for the local administration of grant programs and delivery of service to eligible low-income households. Each program has an income-eligibility requirement ranging from 60 percent state median income to 80 percent area median income, depending on the program.

The Energy Savings Assistance (ESA) program provides no-cost weatherization services to low-income households who meet the California Alternate Rates for

Energy (CARE) Program income guidelines (see table below). Services provided include attic insulation, energy efficient refrigerators, energy efficient furnaces, weather-stripping, caulking, low-flow showerheads, water heater blankets, and door and building envelope repairs, which reduce air infiltration. The ESA program is available to IOU customers, whether they are homeowners or renters.

California’s Low-income Energy Assistance Programs			
Program Name	Administrator	Funding Source	Description
Low Income Home Energy Assistance Program (LIHEAP)	CSD ¹⁾	US DHHS ²⁾	Energy efficiency weatherization services to eligible low-income households, both homeowners and renters.
Weatherization Assistance Program (WAP)	CSD ¹⁾	US DOE ³⁾	Energy efficiency services to eligible low-income households, both homeowners and renters.
Low Income Weatherization Program (LIWP)	CSD ¹⁾	GGRF ⁴⁾	Energy efficiency services and installation of rooftop solar to eligible low-income households, both homeowners and renters.
Energy Savings Assistance (ESA) Program	IOUs ⁵⁾	IOU ratepayers	Free home weatherization, energy efficient appliances and energy education services to income-qualified IOU customers.
California Alternate Rates for Energy (CARE) Program	IOUs ⁵⁾	IOU ratepayers	Monthly discount on energy bills for qualifying residential single-family households, tenants of sub-metered residential facilities, nonprofit group-living facilities, agricultural employee housing facilities and migrant farm worker housing centers.
1) Department of Community Services and Development (CSD). 2) United States Department of Health and Human Services (DHHS). 3) United States Department of Energy (US DOE). 4) Greenhouse Gas Reduction Fund (GGRF). 5) Investor-owned utilities (IOUs).			

The CARE program provides a monthly discount on energy bills for qualifying residential single-family households, tenants of sub-metered residential facilities, nonprofit group living facilities, agricultural employee housing facilities and migrant farm worker housing centers. Program participants receive a 30-35 percent discount on their electric bills and a 20 percent discount on their natural gas bills.

Family Electric Rate Assistance (FERA) program. Families whose household income slightly exceeds the CARE allowance (up to 250 percent of federal poverty) qualify to receive FERA discounts. Unlike CARE, FERA applies a discount of 18 percent to customers of the state's three largest electric utilities – Southern California Edison (SCE), San Diego Gas and Electric Company (SDG&E), and Pacific Gas & Electric Company (PG&E). FERA was established through a CPUC decision, involving the IOUs and ratepayer organizations, and codified in statute last year in SB 1135 (Bradford, Chapter 413, Statutes of 2018). FERA is an effort to help families which might have incomes that are just above the income eligibility for CARE, but which likely still experience hardships paying their utility bills. However, unlike CARE customers, FERA customers are not eligible for the energy savings assistance program to provide subsidized weatherization and other energy efficiency upgrades to help reduce the customer's energy load. Additionally, unlike CARE, FERA enrollment participation rates are low across the board for all three utilities.

Is there a need for a farmworker specific energy program? In addition to the low-income energy assistance programs described above, California also offers the Joe Serna, Jr. Farmworker Housing Grant program. Administered by HCD, the program provides financing for the new construction, rehabilitation and acquisition of owner-occupied and rental units for agricultural workers, with a priority for lower-income households. As this bill's author and supporters have noted, the challenges facing agricultural workers are exceedingly difficult. It is estimated that there are upwards of 500,000 -800,000 farmworkers in California, accounting for more than a third of the total US workforce. Farmworker communities are primarily located in rural, hard to reach areas. Many of the state's agricultural hubs such as the Central and Imperial Valleys can routinely reach temperatures of over 100 degrees Fahrenheit during summer months, leading to higher than average energy consumption.

The National Agricultural Workers Survey (NAWS) is an employment-based, random- sample survey of U.S. crop workers that collects demographic, employment, and health data in face-to-face interviews. The most recent information obtained by the Department of Labor in 2016 noted 33 percent of farmworkers living in overcrowded dwellings, with the same number also having family incomes below the federal poverty line. The HCD has also identified farmworkers as a "special needs" housing group due to high rates of poverty, low rates of home ownership and that farmworkers disproportionately live in the poorest housing conditions. While it is apparent that many agricultural workers should qualify for the existing income-based programs, the percentage of farmworkers in 2016 who reported utilizing any need-based program was under 55 percent. According to the author, existing programs have had limited success in

reaching low-income farmworker housing, thus prompting the need for farm worker specific programming.

Program funding and implementation. The current language does not specify a funding source for the proposed program. The LIWP has been financed through appropriations of GGRF funds in previous years and CSD has received a 10 million dollar allocation under the Budget Act of 2019. Additionally, CSD has recently announced the development of a Farmworker Housing Component in the existing LIWP. While this program is still pending with specifics unknown, CSD's website indicates a launch in the summer of 2019. Although this bill incorporates language requiring that CSD consult with both the CPUC and CEC to avoid duplication, this committee may wish to consider whether this bill is still needed given the forthcoming program.

Need for amendments. This bill includes backup power as an eligible project type. However, it is unclear what form of back up power is being requested and at what cost. *Given the lack of information, the author and committee may wish to strike this language from this bill.*

Dual referral. This bill passed out of the Senate Committee on Housing July 2nd on a 9-1 vote.

Prior/Related Legislation

SB 1135 (Bradford, Chapter 413, Statutes of 2018) codified the requirements of an existing low-income electric rate discount program, known as the FERA program, for the state's three largest electrical corporations and increase the program discount from 12 percent to 18 percent line-item discount on a customer's electric utility bill.

AB 2715 (E. Garcia, 2016) would have established the Agricultural Working Poor Energy Efficient Housing Program and requires it to be administered by the CSD. The bill died in the Senate Committee on Appropriations.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

SUPPORT:

La Cooperativa Campesina de California (Sponsor)
American Federation of State, County and Municipal Employees, AFL-CIO
California Efficiency + Demand Management Council
California Human Development
Central Valley Opportunity Center

Proteus, Inc.

OPPOSITION:

None received

ARGUMENTS IN SUPPORT: The California Efficiency + Demand Management Council writes in support saying, “In a study released in 2018, UC Riverside cited the poor mental and physical health in rural borderland communities such as the Eastern Coachella Valley, noting substandard housing and poor infrastructure.

Energy Efficiency can be used to improve the quality of life for people in communities like Eastern Coachella Valley, building climate efficiency, lighting, and overall comfort, as well as modernizing appliances- all while reducing utility bills. This bill will provide another tool to improve living conditions in older homes and improve the lives of [the] state’s agricultural working poor.”

-- END --