**Draft Status Update from Compensation Sub-Working Group to**

**CAEECC CDEI Working Group**

**February 23, 2022**

**The Problem:** Need to identify optimal and feasible funding sources and ways of delivering these financial resources to Community-Based Organizations (CBOs) and other under-resourced organizations to encourage their participation and engagement in CAEECC for the long-term.

**Current Compensation Barriers:**

* The CPUC’s Intervenor Compensation Program (ICOMP) does not align with the needs of CBOs and environmental justice organizations, e.g., the process is too complicated; it’s not financially sustainable for under-resourced groups to have to wait lengthy periods of time to be “reimbursed”.
* Current statutory and regulatory requirements make it difficult for ratepayer funds to be used to compensate CBOs.
* There is a lack of knowledge as to whether there are CBOs and other under-resourced organizations that would participate and engage in CAEECC and/or the Working Groups and have already expressed a desire to do so if they were compensated.

**CPUC CBO Participation Pilot Program Update**: The Commission’s Environmental and Social Justice (ESJ) Action Plan: [Draft Version 2.0](https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/news-and-outreach/documents/news-office/key-issues/esj/draft-cpuc-esj-2010262021c.pdf) includes action item 1.2.2, which calls for News and Outreach Office staff to “Identify a funding source outside of ICOMP and create a pilot program that aims to facilitate deeper involvement of CBOs in CPUC programs and processes.” The Compensation Sub-Working Group received the following update from staff:

* Administrative funds for staff resources (e.g., computers) were considered as a potential funding stream, but all these funds had already been allocated. Additionally, it’s not clear whether there’s the authority to use these funds for CBO compensation.
* CPUC has many different mechanisms, which are all ratepayer funded, unless indicated otherwise by legislation (e.g., Solar on Multifamily Affordable Housing, SOMAH).
* Staff is also considering using some funds from the Commission’s enforcement program, but legal questions remain about whether enforcement policy could be a funding mechanism.

**Action Items of Sub-Working Group (to be completed by March 7)**

1. Obtain background information about CAEECC’s contracting process and authority.
   * CAEEC does not have any authority to establish contracts with consultants.
   * The contract for the facilitation team is handled by the IOUs. There’s currently an RFP out for a facilitator, and it is being handled by PG&E.
   * The CPUC’s role in this process is two-fold. They’re part of the current facilitation search team (part of the procurement review group). They also need to approve the budget for the RFP and every year’s advice letter budgeting.
2. Put together a list and summary write-ups of Public-Private-Partnership (3P) funding models, including, but not limited to:  
   (*Note: At this time, we’re looking at different types of 3P models because they have elements that could be applicable to our needs. Furthermore, CPUC staff has indicated that philanthropic sources of funding is also something they are exploring.)*
   * Philanthropic funding for staff positions in Local Government
     + Planner position in the City of Los Angeles’ Planning Department (in 2015) to lead development of “Clean Up, Green Up” Ordinance (position funded by Liberty Hill Foundation)
     + City of Los Angeles Air Quality and Health Advisor position in Mayor’s Office   
       (administered by [C40 Cities](https://www.c40.org/), which is funded by various philanthropic entities, including international foundations and corporations, and international governments)
     + [American Cities Climate Challenge](http://bloomberg.org/environment/supporting-sustainable-cities/american-cities-climate-challenge/) by Bloomberg Philanthropies
   * Local Government contracting with nonprofit organizations
     + City of San Diego’s partnership with Institute for Local Government (ILG), who has subcontracted with CBOs to do public engagement and outreach on the city’s Climate Action Plan (CAP) Update; funding provided by the City of San Diego and The California Endowment. (ILG’s report to the City starts on page 199 of the [CAP Update](https://www.sandiego.gov/sites/default/files/climate_action_plan_draft.pdf))
   * Fellowships in Local Government
     + [FUSE Executive Fellowship Program](https://www.fusecorps.org/fellowship-faqs/) (racial equity focus): 1 to 2-year full-time, project-based fellowship administered by a national nonprofit and funded by government partners and/or philanthropic partners (e.g., foundations, corporations)
   * Other Public-Private Partnership Models Outside CA
     + *Forthcoming…*
3. Provide background on SOMAH and details on its [Advisory Council](https://calsomah.org/sites/default/files/SOMAH%20Advisory%20Council%20Bylaws.pdf) stipend model.
   * Program background
     + SOMAH provides financial incentives for installing solar photovoltaic (PV) energy systems on multifamily affordable housing.
     + It is administered by a statewide, non-profit Program Administration (PA) team and is funded by the Greenhouse Gas Reduction Fund (GGRF) allowance revenues received by IOUs that are set aside for clean energy and energy efficiency projects.
     + The program’s funding mechanism is statutorily mandated by Assembly Bill (AB) 693 (Eggman) signed into law in 2015.
   * Advisory Council: *Article IX: Compensation in the*[*bylaws*](https://calsomah.org/sites/default/files/SOMAH%20Advisory%20Council%20Bylaws.pdf):
     + “1. **Status of members**. Members of the Advisory Council are volunteers and are not employees of organizations comprising the SOMAH Program Administrator team, the California Public Utilities Commission, participating investor-owned utilities, or the State of California.
     + 2. **Stipend**. Members of the Advisory Council are eligible to receive a $500.00 stipend for each quarterly meeting attended. Partial participation in a quarterly meeting will result in a partial stipend, the amount of which will be directly proportional to the time attended versus total meeting time.
     + 3. **Travel reimbursement**. To remove barriers to participation, members of the Advisory Council are eligible to receive reimbursement for eligible travel expenses related to attending SOMAH Advisory Council meetings.

a. The Advisory Council Travel Policy governs the eligibility of expenses, and reimbursement terms and conditions.

b. The Advisory Council Travel Policy may be amended at any time at the discretion of the SOMAH Program Administrator.”

1. Research what other PUCs are doing in terms of providing financial resources for under-resourced organizations
2. Recommend criteria for the ***types*** of organizations that should be compensated (incorporate elements of completed CDEI WG Homework #2)
3. Develop a high level list of activities and engagement for which CBOs and under-resourced organizations could be compensated for.
4. Do back of the envelope estimate on 3-year funding to participate in CAEECC
   * *For reference, see “Article IX: Compensation” in the*[*bylaws*](https://calsomah.org/sites/default/files/SOMAH%20Advisory%20Council%20Bylaws.pdf)*for SOMAH’s Advisory Council (AC). It specifies the following for each AC member: “…a $500.00 stipend for each quarterly meeting attended.”*
5. Compile a list of potential foundations to engage in exploratory conversations  
   (*Note: Foundations are being considered to minimize potential conflict of interest because they typically are not parties to a proceeding, therefore they wouldn’t be influencing policy-making. This list is not exhaustive and is just a starting point for consideration. The purpose of the exploratory conversation would be to gauge the foundations’ interest in funding CAEECC’s compensation efforts. As we continue our research, this list will be narrowed down and possibly prioritized.*)
   * 1. [Energy Foundation](https://www.ef.org/our-work/priorities-progress/)
     2. Hewlett Foundation
     3. The Climate + Clean Energy Equity Fund (Note: CA is not currently one of the states they fund, but additional states will be added in 2022)
     4. The California Foundation
     5. [The David and Lucille Packard Foundation](https://www.packard.org/grants-and-investments/for-our-current-grantees/diversity-equity-and-inclusion/)
     6. [MacArthur Foundation](https://www.macfound.org/about/)
     7. Others