SAN DIEGO COMMUNITY POWER

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December 5, 2022

United States Environmental Protection Agency
Ariel Rios Building
1200 Pennsylvania Avenue, N.W.
Washington, DC 20460

Agency/Docket Number: EPA-HQ-OA-2022-0859

Re: Request for Information – Greenhouse Gas Reduction Fund
Response of San Diego Community Power

Dear Mr. Zealan Hoover, Senior Advisor to the EPA Administrator, and Mr. Dan Utech, Chief of Staff:

San Diego Community Power (SDCP) is pleased to submit these comments on the design and implementation of the Greenhouse Gas Reduction Fund (GHGRF) program of the historic Inflation Reduction Act (IRA), as outlined in the Request for Information – Greenhouse Gas Reduction Fund.

SDCP is a Community Choice Aggregator (CCA) and the local electricity provider to 731,092 customer accounts in the cities of Chula Vista, Encinitas, Imperial Beach, La Mesa, San Diego, and in 2023, to National City and the unincorporated communities of San Diego County in California. Upon full enrollment next year, SDCP is estimated to serve an estimated 960,000 customer accounts across its service territory. Founded in 2019 as a Joint Powers Authority (JPA) government agency by local municipalities in San Diego Gas & Electric (SDG&E) service territory, SDCP generates more renewable electricity at competitive rates than SDG&E while partnering with them to deliver the electricity and continuing to provide customers with one bill for electric and gas services.

CCAs serve more than 11 million customers in California with 25 distinct CCAs across the three investor-owned utility (IOU) service territories of Pacific Gas & Electric (PG&E), Southern California Edison (SCE), and SDG&E.[1] SDCP is committed to reaching 100 percent renewable energy across its service territory by 2035 and offering an innovative suite of customer programs that prioritizes Communities of Concern (CoC).[2] In prioritizing our communities, SDCP is developing a Community Power Plan (CPP) that incorporates community feedback on what types of programs to pursue over the next five years.[3] As such, our comments are focused on eligible recipients and ensuring access to the distinct funding streams.

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[1] About CalCCA. https://cal-cca.org/about/

[2] SDCP identifies Communities of Concern as census tracts that have been designated as additionally burdened by socioeconomic and environmental factors by their respective jurisdictions through their Climate Equity Index (CEI) analyses, and defaults to CalEnviroScreen's Disadvantaged Communities Definition of Top 25% burdened in the absence of a CEI. Only the Cities of San Diego and Chula Vista have conducted CEI analyses.

[3] SDCP Community Power Plan. https://sdcommunitypower.org/community-power-plan-cpp/

Section 4: Eligible Recipients

1. *Who could be eligible entities and/or indirect recipients under the Greenhouse Gas Reduction Fund consistent with statutory requirements specified in section 134 of the Clean Air Act? Please provide a description of these types of entities and references regarding the total capital deployed by such entities into greenhouse gas and air pollution reduction projects.*

    Load serving entities (LSEs) that are public agencies, such as Community Choice Aggregators, should be considered eligible entities and/or indirect recipients under the GHGRF. As mentioned earlier, CCAs like SDCP are public government agencies formed by one or more local municipalities for the purpose of procuring more renewable energy for the benefit of local residents and businesses, as well as reinvesting back into our communities for a more equitable, sustainable and prosperous future. In serving the city of San Diego, the 8th largest city in the country, and 2nd largest in the state,[4] ensuring that GHGRF maintains entities like SDCP as eligible will allow millions of residents to benefit from the Inflation Reduction Act.

    As a Joint Powers Authority (JPA) government, SDCP has an obligation to serve the communities under its jurisdiction. Those include the cities of Chula Vista, Encinitas, Imperial Beach, La Mesa, San Diego, National City and the unincorporated communities of San Diego County in California. Founded in 2019 and serving customers since 2021, SDCP offers a minimum 50 percent renewable energy to its customers while offering an optional 100 percent renewable energy tier. Moreover, SDCP and other CCAs throughout California have collectively contracted for more than 11,000 megawatts of new clean energy generation capacity through long-term power purchase agreements (PPAs) of 10 years or more.[5]

    Given CCAs' close ties to their communities and ability to very quickly innovate, they would be great partners to accomplish the goals of the GHGRF and the IRA. Therefore, ensuring that CCAs are eligible entities or indirect recipients will allow millions to participate in, benefit from, and become catalysts in our clean energy transition.

2. *What types of entities (as eligible recipients and/or indirect recipients) could be created to enable Greenhouse Gas Reduction Fund grants to support investment in and deployment of greenhouse gas and air pollution reducing projects in communities where capacity to finance and deploy such projects does not currently exist?*

[4] About San Diego, CA. https://bit.ly/3P17AZs
[5] CCA Impact. https://cal-cca.org/cca-impact/

SDCP is a public agency JPA that is also the default load serving entity enabled by state law.[6] We encourage the EPA to evaluate the use of JPAs and other public LSEs like municipally owned utilities as tools to help accelerate the goals of the GHGRF program. For example, SDCP is creating a Community Power Plan (CPP) that will inform the agency's five-year programmatic outlook. By conducting extensive community outreach that included receiving close to 3,000 unique survey responses, SDCP hopes to utilize funding mechanisms such as the ones created by the GHGRF to help deliver critical and innovative programs that will benefit the region we serve.

Section 6: General Comments

1. *Do you have any other comments on the implementation of the Greenhouse Gas Reduction Fund?*

   The statute creates two distinct funding streams under the GHGRF. One provides $7 billion for states, local governments, Tribal entities, and nonprofits to deploy zero-emission technologies. While the second provides nearly $20 billion for nonprofits to increase access to financing for low and zero-emission technologies.[7] SDCP suggests that the EPA allow GHGRF applicants to access both funding streams as that has the potential to increase their impact and reach.

In conclusion, SDCP supports increasing and ensuring equitable access to these opportunities by Communities of Concern. By putting them first, our energy transition will be equitable and just. We thank the U.S. Environmental Protection Agency for the opportunity provide comment on this important program. For any questions about these comments, please contact Sebastian Sarria, Policy Manager, at ssarria@sdcommunitypower.org.

Sincerely,

Karin Burns
Chief Executive Officer

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[6] Assembly Bill 117. http://www.leginfo.ca.gov/pub/01-02/bill/asm/ab_0101-0150/ab_117_bill_20020924_chaptered.pdf

[7] United States Code Title 42: The Public Health and Welfare, Chapter 85: Air Pollution Prevention and Control, Section 7434: Greenhouse Gas Reduction Fund. https://uscode.house.gov/view.xhtml?path=/prelim@title42/chapter85&edition=prelim