Comments on Transportation Climate Initiative Program (TCI-P) Draft Model Rule

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GRID Alternatives ("GRID") is pleased to offer comments on the equity provisions of the draft Model Rule for the Transportation Climate Initiative (TCI) program (TCI-P). We thank TCI for its efforts to date to center equity in the urgent task of decarbonizing our transportation sector in the Northeast, Mid-Atlantic, and Southeast. We hope that insights from GRID's on-the-ground experience working with underserved and low-income communities and households, helping them access to clean mobility and renewable energy solutions and jobs, can help TCI realize its commitment to equity in the most effective manner.

GRID is a national 501(c)(3) nonprofit whose mission is to build community-powered solutions to advance economic and environmental justice through renewable energy. We implement this mission through renewable energy project installation, hands-on job training, program administration, technical assistance, policy advocacy, and other program areas, all with a focus on equity. Since 2004, we have installed more than 15,000 solar systems and provided tens of thousands of people with training to connect them with clean energy jobs. As part of GRID's vision of a transition to renewable energy that includes everyone, we are also working to make electric vehicles, electric vehicle charging, and other clean mobility options more accessible to the communities we serve. This effort has been initially focused on California, in conjunction with investments from the California Air Resources Board (CARB) in low-carbon transportation equity programs; however, we are also engaging with other clean mobility initiatives around the country, especially where we have affiliate offices and programs. Our regional affiliate GRID Alternatives Mid-Atlantic operates in the TCI jurisdictions of Maryland, Virginia, and the District of Columbia, providing renewable energy job training and no-cost solar installations to underserved and low-income clients.

The core equity commitment in the draft model rule, Section 3.1, is for the implementing agency to "work[] collaboratively within its jurisdiction to invest, in a manner that reflects the population of overburdened and underserved communities, no less than 35 percent of the proceeds from the auction of allowances to ensure that overburdened and underserved communities benefit equitably from clean transportation projects and programs." GRID is glad to see the emphasis on equity. We believe this commitment could be further improved in a number of ways.

First, "benefit equitably" is potentially vague. Language on direct economic and non-economic benefits to low-income households could help expand on the meaning of that phrase. Similarly, it is unclear what "in a manner that reflects the population" of these communities would mean in practice, and what this language adds to "benefiting equitably." If it refers to mere proportionality of dollars invested in specific geographic areas, we do not see that as a sufficient end goal for equitable investment. Such geographic benchmarks are important information, but are not the same as direct, measurable benefits to low-income households. If geographic benchmarks are over-emphasized, they can flatten community and household differences, overlook unintended consequences, and fail to account for opportunities to actively advance economic and environmental justice through transportation electrification. For example, public charging located physically in underserved communities not only may not provide any significant benefit to the residents if they can't afford electric cars, but also could exacerbate gentrification and displacement by enticing higher income EV drivers to move in. On the other hand, thoughtful and equity-focused integration of electric vehicle and charging incentives with other programs such as renewable energy and energy storage installation, other energy and weatherization interventions, local small business entrepreneurship opportunities, and workforce development can multiply benefits and help remedy injustices in our energy system.

Second, "working collaboratively" appears insufficiently specific with respect to equity in the inputs and processes, which is just as important as—and necessary for—equitable outcomes. This should be strengthened up front in the commitment language itself, and not just left to the other implementing provisions. It could be valuable to define with whom the agency will work, and how. It is also important that "collaboration" not allow agencies and/or other interests to override the preferences of the communities themselves, who should be in the lead. A clearer, stronger commitment would be for agencies to *actively solicit*, *enable*, and *hold themselves accountable to* input *from members of overburdened and underserved communities* within their jurisdiction.

We recognize that each participating jurisdiction will codify equity commitments through their own legislation, regulation, or other legal directives, with Sections 3.2 and 3.3 as only one possible approach. However, the model rule misses some opportunities to demonstrate a truly robust operationalization of equity. With respect to Section 3.2, it does not appear that the equity advisory body has any real authority besides providing recommendations, nor is it clear how the agency to whom the recommendations are provided would incorporate them into investment decisions. Investment of TCI-P proceeds, or at least more than 35% thereof, should be community-driven. Without stronger provisions for who will decide the investments and how, the advisory body could end up being or seeming to be a check-the-box process point rather than a real equity driver. That would result in harm, distrust, and a less effective TCI-P overall. Strong inclusive process provisions are especially crucial because it would be this body, rather than pre-established rules, defining the key parameters: what constitutes an overburdened or underserved community, what equitable benefit looks like, and how to evaluate it.

Something more like an equity accountability body, with its own information gathering and decision making powers that cannot simply be overruled by the agency, would better promote equity and protect communities. The equity accountability body should also be empowered to advise on other aspects of TCI-P implementation in addition to investment of proceeds. Moreover, the model rule should include means of compensating equity accountability body participants for their time, so that low-income individuals can actually participate.

We are pleased to see the draft model rule's incorporation of ongoing review and transparency measures. In line with our foregoing recommendations, we believe the equity accountability body should have the authority and resources to meaningfully shape the reports. Additional equity components besides air quality that could be added to the model rule language include workforce and business ownership demographics, the percentages of vehicle owners with electric and non-electric vehicles across different communities and demographics, energy burden impacts, and any additional metrics set forth by the equity accountability body.

GRID Alternatives thanks the Transportation Climate Initiative and its member jurisdictions for this opportunity to provide input on the draft Model Rule for TCI-P and we look forward to continued engagement.