CEAC Infrastructure and Development Policy Committee
126th CSAC Annual Meeting
Monday, November 16, 2020|2:15 pm - 3:15 pm

Zoom Meeting:
https://us02web.zoom.us/j/83484238414?pwd=V2Vuc2RERkwzblJNWWFUcTdSMnVjUT09

Meeting ID: 834 8423 8414
Passcode: CEAC2020

AGENDA

Chair, Trisha Tillotson, Nevada County
Vice Chair, Rebecca Taber, Placer County
Vice Chair, Warren Lai, Contra Costa County

2:15 pm	I.	**Welcome and Opening Remarks** *Trisha Tillotson, Chair, Nevada County*
2:20 pm	II.	**Research on Residential Impact Fees in California** *David Garcia, Policy Director, Terner Center for Housing Innovation at UC Berkeley* Attachment One: Summary of Residential Impact Fees in California
2:40 pm	III.	**Public Utilities Commission Rule 20 Electrical Undergrounding** *Chris Lee, CSAC, Legislative Representative* *Marina Espinoza, CSAC, Legislative Analyst* Attachment Two: Summary of Key Parties' Opening Comments Attachment Three: CSAC Reply Comments Filed October 27
2:45 pm	IV.	**Implementation of SB 743: Models from Around the State** *Mary Halle, PE, Senior Civil Engineer, Contra Costa County* *Jamar Stamps, AICP, Senior Planner, Contra Costa County* Attachment Four: VMT Threshold Examples
3:15 pm	V.	**Adjournment**

Zoom call-in instructions:
Topic: Infrastructure and Development Policy Committee

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Meeting ID: 834 8423 8414
Passcode: CEAC2020

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ATTACHMENTS

Attachment One

Summary of Residential Impact Fees in California

RESIDENTIAL IMPACT FEES IN CALIFORNIA

POSTED ON AUGUST 07, 2019 BY TERNER CENTER FOR HOUSING INNOVATION

As California continues to grapple with the devastating effects of the housing crisis, more attention is being paid to the rising cost of building new homes. The median home value in California has almost reached $550,000,(1) reflecting both the limited supply of homes as well as the high cost of development. In some cases, the cost of building affordable housing in California has topped $600,000 per unit, or more.

STRAPPED FOR REVENUE, LOCALITIES ARE INCREASINGLY TURNING TO DEVELOPMENT FEES TO FUND VITAL PUBLIC SERVICES.

In an effort to uncover paths to lower the cost of housing, the Terner Center has conducted research into the different components of the cost of development, from construction costs to the fees charged by local agencies on new housing. These development fees help support vital local services to serve incoming residents, including schools, utilities, and transit, and even affordable housing projects. They are a normal part of doing business for developers across the country. Still, California's fees are especially high, driven in part by restrictions around other sources of local revenue for public infrastructure. State-level policies like Proposition 13 (the 1978 constitutional amendment by ballot initiative which restricts property tax levels) and decreases in federal support for public projects have limited the ability of local governments to fund infrastructure, resulting in an increased reliance on alternative funding sources, including development fees on new housing. Indeed, up to a third of some California cities' budgets are composed of development-related fees. (2) In our prior research on development fees, we found that charges in California can exceed $150,000 per unit, not including utility fees. Our interviews also surfaced that utility fees can pose the largest local expense but unfortunately, we were unable to estimate them without detailed development plans.

OUR LATEST PAPER TAKES AN IN-DEPTH LOOK AT ONE SEGMENT OF DEVELOPMENT FEES—THOSE UNDER THE AUTHORITY OF THE MITIGATION FEE ACT, OFTEN REFERRED TO AS "IMPACT FEES."

In 2017, the California legislature passed Assembly Bill 879 which required, among other things, that the Department of Housing and Community Development undertake a study examining "the reasonableness of local fees charged to new developments as defined by [the Mitigation Fee Act. And to] include findings and recommendations to [...] substantially reduce fees for residential development." The legislature's mandate culminated in the Terner Center's latest report: Residential Impact Fees in California: Current Practices and Policy Considerations to Improve Implementation of Fees Governed by the Mitigation Fee Act. This work examines the state of impact fees across California and lays out potential paths towards reform.

It is important to note that AB 879 restricted the scope of our research to just one segment of total development fees: those under the authority of the Mitigation Fee Act. These "impact fees" do not include school fees or utility fees, but they do include fees for other impacts directly related to new construction, such as some types of transit fees, park fees, and fees that fund affordable housing (Table 1).

Table 1: Development Fees by Type and Authority

Exaction	Authority	Eligible Uses	Subject to the Mitigation Fee Act?
Subdivision Map Act In-Lieu Fees	Subdivision Map Act	Must be tied to General Plan (e.g. bike paths, open space, etc.)	No
Quimby Act In-Lieu Fees	Quimby Act	Parks	No
Inclusionary Housing Ordinance In-Lieu Fees	Police Power and AB 1505	Affordable housing	No
Utility Connection Fees	Various Statutory Authorities Depending on Type of Utility	Cost to provide connection to utility system	No
School Facilities Impact Fees	Education Code	New school facilities constructions.	No
Permit Processing Fees	Police Power	Costs associated with permit processing.	No
Development Agreements (DA)	Government Code §65864 - 65869.5 and Contract Law	A contract between the jurisdiction and the developer that can include fees and other exactions	No
Community Benefit Agreements (When independent of a DA)	Contract Law	A contract between a third party and the developer with no limitations	No
CEQA In-Lieu Mitigation Fees	Various/Police Power	Mitigate impacts of projects on the environment through actions identified in an EIR under CEQA	Yes (If non-voluntary)
Impact Fees	**Police Power**	**Any impact reasonably attributed to new development**	**Yes**

THE STATE COULD REFORM IMPACT FEES TO GUARD AGAINST EXCESSIVE COSTS THROUGH A NUMBER OF AVENUES. BUT, FIRST AND FOREMOST, GREATER TRANSPARENCY IS NEEDED.

We examine the methods by which cities develop and exact their impact fees, the actual amount that a sample of cities currently charge on new housing, and the general accessibility of this information. This research yielded several findings and considerations for improving fee design and implementation, all of which are detailed in our report.

Per AB 879, our report weighs a number of options for reform, each intended to promote a more thoughtful approach to the development and implementation of impact fees. Some of these reforms have clear utility and are straightforward to implement, such as policies that ensure that fee schedules and the studies that determine them are transparent and easily available to the public. Transparency and predictability in fee structure should be a common goal of all local agencies, because everyone should be able to quickly and easily assess the cost of building housing in their city.

Fees can also be better-structured to incentivize certain types of housing. For example, reducing fees on accessory dwelling units (ADUs) could encourage homeowners in invest in the small homes, adding density and supply in single-family neighborhoods.

Other potential reforms would adjust the structure of fees and the way in which they are set in an effort to make sure that they more appropriately reflect direct project impacts and do not inadvertently disincentivize housing construction. In our report, we do not recommend a single course of action, but rather weigh the costs and benefits of a set of potential reforms. The reforms considered take different approaches to lowering impact fees, including the following:

- Tightening oversight of how cities determine the relationship between a project and its impact on a community, as well as the connection between those impacts and fees charged.
- Creating stronger feasibility standards for determining what fee amounts could be reasonably absorbed by new developments.
- Improving other local funding options for infrastructure.

Our conversations with experts and stakeholders made it clear that some approaches would not be productive. Simply capping impact fees statewide, for example, could cut off much-needed revenue, resulting in lowered levels of public services and potentially incentivizing cash-strapped localities to block new housing altogether.

POLICYMAKERS WILL NEED TO CLARIFY THEIR OBJECTIVES AND WEIGH THE COSTS AND BENEFITS OF DIFFERENT APPROACHES BEFORE PURSUING IMPACT FEE REFORM.

It is up to policymakers to consider each potential reform depending on their policy goals and priorities. For example, the state legislature needs to determine whether the intended result of any impact fee reform is to lower impact fees broadly, across the state, or to focus on reining in outlying fees that render new development infeasible.

As housing costs continue to rise, a comprehensive approach to impact fee reform is appropriate and necessary. Our report lays the groundwork for pursuing statewide reform to a key source of local revenue, but this level of reform deserves specialized attention to understand policy tradeoffs. The Governor has called for an impact fee task force, which would provide a forum for these detailed policy discussions. (3)

POLICYMAKERS SHOULD ALSO CONSIDER REFORMS TO LOWER THE COST OF DEVELOPMENT FEES OUTSIDE OF THE MITIGATION FEE ACT, AND TO ENSURE THAT LOCALITIES CAN FUND ROBUST PUBLIC INFRASTRUCTURE.

In addition, while our report focused on impact fees per AB 879, policymakers should also consider the universe of fees charged that are not regulated by the Mitigation Fee Act, as these fees also appear to be a significant contributor to overall costs. Indeed, an important first step would be bringing greater transparency and predictability to how all fees and exactions, taken together, affect the bottom line for new housing development.

Finally, this report does not delve deeply into the structural issues that constrain California cities and counties' ability to raise revenue for critical infrastructure. This topic consistently came up in our interviews with stakeholders, and also merits a robust conversation. Ultimately, without significant property tax reform, cities and counties will continue to rely on alternative funding mechanisms such as impact fees to recoup the cost of maintaining and expanding residential services.

At a time of a tremendous need for housing, any policy that impacts the delivery of new homes must be examined in a thoughtful manner with an eye towards maximizing utility for all stakeholders. Our previous work has shown that high fees can be a barrier to new housing—both market-rate and affordable—and to the extent that cities are charging fees above what a specific market can support, everyone loses. Cities do not get the dollars to improve their infrastructure and maintain their services, and developers must secure more subsidy or charge higher prices in order to build. It is our hope that this new analysis will form the basis of a productive discussion that ultimately results in more homes for Californians.

(1) Zillow. "California Home Prices & Values". Retrieved from https://www.zillow.com/ca/home-values/.

(2) Coleman, M. (Ed.). (2008). The California municipal revenue sources handbook (2008 ed). Sacramento, CA: League of California Cities.

(3) CalChannel. (2019, January 10). "Governor Gavin Newsom Releases 2019-20 State Budget" Retrieved from https://www.youtube.com/watch?v=SrWC9XnKPKI.

POSTED ON AUGUST 07, 2019 BY TERNER CENTER FOR HOUSING INNOVATION

Attachment Two

Summary of Key Parties' Opening Comments

OFFICERS
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November 2, 2020

To: CEAC Infrastructure and Development Policy Committee

From: Chris Lee, CSAC Legislative Representative
Marina Espinoza, CSAC Legislative Analyst

Re: Summary of Key Parties' Opening Comments in Response to the September 6 Ruling on Rule 20 Reform

This memo includes brief summaries of the Opening Comments key parties submitted in response to the ruling the California Public Utilities Commission Administrative Law Judge issued on September 6 regarding Rule 20 reform.

AT&T and California Cable & Telecommunications Association

- **Opposes using Rule 20 for wildfire mitigation.** There is no evidence to suggest that undergrounding aerial communications facilities will mitigate against the danger of wildfire ignition. Communications providers do not operate energized power lines with the potential to ignite wildfires.
- **Disadvantages of undergrounding communication facilities.** Undergrounding of communications facilities presents disadvantages and safety hazards including: (i) the vulnerability of underground communication facilities to flooding; (ii) the difficulty and delay of locating and repairing damaged or degraded cables; (iii) the risk of increased service outages caused by accidental fiber cuts; and (iv) safety hazards associated with locating and avoiding other underground facilities.
- **Supports wind down proposal.** The Joint Communications Parties support a wind down of the Rule 20A program.

The Utility Reform Network (TURN)

- **Supports sunsetting and elimination of Rule 20 programs.** TURN agrees that given the pandemic and the associated economic crisis, the case for sunsetting the Rule 20 Program is even stronger. The Rule 20 Program has been poorly managed, with much of the funds being diverted by the IOUs to other uses.
- **Supports allowing communities to continue work credit trading.** The proposed restriction on trading and selling of credits would unfairly punish communities that are underserved and disadvantaged. TURN recommends allowing communities to trade or sell work credits during the sunset period, since it may be the only way some communities could receive value from their work credits.
- **Rule 20B/C funding & authorization period.** TURN supports the proposal to set a funding cap that may not be exceeded in the GRC and establish one-way balancing accounts for each utility's Rule 20 programs. However, TURN does not agree with the amounts proposed in Attachment 2.

Pacific Gas and Electric (PG&E)

- **Rule 20 is not just for aesthetics.** PG&E believes that the description that the Rule 20 Program is for aesthetics only does not fully capture the positive impact that the program has on California's communities. As part of a larger economic development strategy, cities/counties utilize Rule 20 to create a more attractive community, increase commerce, and address ADA issues.
- **Rule 20 and disadvantaged communities.** Anecdotally, we are aware that the current Rule 20A Program is harder to execute for smaller and/or disadvantaged communities. Requiring financial participation by cities/counties such as the proposed Rule 20B program would be even a larger barrier for these communities.
- **Communities with negative work credit balances.** Deeming communities with a negative work credit balance as an "ineligible community" is arbitrary and does not treat all communities equitably. PG&E recommends against communities with negative work credit balances being excluded from participation during the sunset period.
- **A 10-year time frame to sunset program is not enough.** PG&E does not agree with staff's assumption that the 10-year time frame is expected to be more than sufficient to complete all projects. The proposal to conclude all Rule 20A Projects within a 10-year period assumes no limitation on resources.
- **Proposal for Rule 20B/C set program funding and authorization period.** Both Rule 20B and 20C are ways that cities/counties and their citizens can underground overhead facilities with minimal impact to customers in general. As such, these programs should not be capped, eliminated, or placed into a one-way balancing account as proposed by staff as it would hurt PG&E's ability to meet the needs of the individual customer or community. PG&E recommends that Rule 20B and 20C tariff remain the same.

San Diego Gas and Electric (SDG&E)

- **Opposes elimination of the program.** SDG&E notes that the ruling doesn't take into account the positions presented by parties in comments filed earlier this year on the Staff Proposal. Most party comments objected to the elimination of the program or did not directly address that particular recommendation. In total, five of 41 parties provided comments directly supported sunsetting the Rule 20A program. Conversely, 28 commenting parties directly opposed sunsetting the Rule 20A program.
- **Proposal will not increase participation of disadvantaged communities.** As noted by SDG&E and numerous other parties in comments on the Staff Proposal, the tiered Rule 20B structure and associated equity criteria would be detrimental to the program and would likely result in fewer projects being completed.
- **Opposes the Wind Down Proposal.** If the Commission ultimately elects to implement the Wind Down Proposal, SDG&E recommends workshops be initiated to: (1) ensure appropriate implementation parameters are in place to support an expeditious ramp-down period; (2) provide an opportunity for municipalities, utilities, and other stakeholders to give input on the Wind Down Proposal to determine feasibility, time constraints, gaps, and potential mitigations; and (3) collect additional information to inform the record in justifying the reasonableness of proposed processes and procedures.

- **SDG&E doesn't support proposal for 20B/C set program funding and authorization period.** It creates substantial uncertainty regarding how such a program would be administered, what mechanisms could be implemented to ensure fairness, and how disputes could be resolved.
- **Management and oversight.** SDG&E does not believe that a Rule 20-specific list of enforcement violations for program management oversight is necessary.
- **Project costs.** SDG&E does not support a requirement for IOUs to report project costs by category based on bids the utilities receive, because vendor pricing information is confidential and proprietary.

Southern California Edison (SCE)

- **Supports enhancing criteria to include safety.** SCE supports reforming the Rule 20 program and expanding Rule 20A eligibility criteria beyond aesthetics and include a set of safety criteria
- **Supports Rule 20 reform.** While the recession is understandably affecting customers, the Rule 20 program itself has a very small impact on customer bills, because the amount of money spent on Rule 20A projects is very small compared to the total revenue collected in customer rates to support the utility's overall operation. Because the Rule 20 program does not significantly impact customer bills, SCE recommends proceeding with the staff proposal's transition from 20A to an enhanced tiered 20B, which will help reduce the overall burden of these costs to ratepayers and redistribute more of the cost to those requesting the undergrounding, and allow projects, including those that are in progress, for aesthetic purposes to still be completed during the transition period.
- **Supports wind down proposal with some adjustments.** SCE also supports the Rule 20A 10-Year Wind Down Implementation Staff Proposal, which gives utilities an option to reallocate work credit allocations from inactive cities and counties towards those with a viable Rule 20A project and prioritize serving underserved and disadvantaged communities first. Includes a number of recommendations to facilitate implementation of the proposal focused on asking for clarification related to the process outlined.
- **Proposal for Rule 20B and Rule 20C set program funding and authorization period.** Rule 20B and 20C budget levels should continue to be set at levels that will sufficiently satisfy customer demand for these programs.
- **Greater program oversight is unnecessary.** SCE does not believe additional program oversight is warranted in the 10-year sunset period beyond the enhanced Rule 20 reporting.

League of California Cities (League)

- **Rule 20 is not just an aesthetics program.** With respect, the League asserts that this question is framed too narrowly. The Rule 20 Program is not just an "aesthetic" program nor a "safety" program.
- **Equity criteria in Staff Proposal will not increase participation of disadvantaged communities.** The proposal to terminate Rule 20A, and increase reliance on Rule 20B and Rule 20C, converts Rule 20 into a private program with private benefits. This change would highlight income inequality and further disadvantage underserved communities, as only the most affluent California communities would be able raise sufficient funds to cover the "gap" costs not borne by ratepayers.

- **Wind Down Implementation Proposal.** It is essential that the Commission devise an economically and legally feasible alternative to the Rule 20A program before it continues its discussion of winding down the program under either proposal. Without such an alternative, the League and the CPUC are unable to analyze thoroughly the impact of such a wind down.
- **Encourages formation of a workgroup to enhance utility undergrounding.** The League strongly urges the CPUC to create a Committee comprised of representatives of local governments, utility companies, and CPUC Staff, to discuss and deliberate on these issues further. A reasonable deadline for completion of such a working group of perhaps 6 months would allow for a more collaborative and informed ruling.

Los Angeles County

- **Supports continuing of Rule 20A with expansion of criteria.** Supports the continuance of the Rule 20A program, with expansion of criteria to include areas with a high threat of fires, in areas that are emergency evacuation routes, in areas where the visibility of motorists, bicyclists, and other road users is compromised and in areas with a history of vehicle-pole collisions.
- **Supports enhanced transparency or accountability.** The County supports the Commission's implementation of enhanced transparency and improved accountability. Such implementation will ensure the use of Rule 20A credits are maximized.

Tuolumne County

- **Opposes elimination of Rule 20A.** Despite the recession the County has been able to proceed with one Rule 20A project. This project would not be possible without the Rule 20A work credit allocations.
- **Supports adding safety and reliability to project criteria.** The undergrounding program should be integrated into wildfire mitigation plans and be completed in coordination with fire hardening of electric systems. This safety criteria would be in addition to the aesthetic criteria that can be used to enhance the historic nature of our community.
- **Modified Rule 20B won't increase participation of disadvantaged communities.** The modified Rule 20B program will slow down or halt the completion of undergrounding projects in rural communities. To increase the participation of communities underserved by the programs, it would better to work with disadvantaged communities to lock in reasonable timeframes for work credit accumulation and support project management and expertise at the local level.
- **Wind Down Proposal.** If the CPUC sunsets the Rule 20A program, then the proposed timeframe for wind down should allow enough time to ensure a community can proceed to use all remaining credits.
- **Proposal for Rule 20B/C Set Program Funding and Authorization Period.** We request that changes to all Rule 20 programs, including the proposed sunset of Rule 20A, consider comments submitted and continue to proceed in a collaborative manner with interested parties. Consequently, the CPUC should consider extending the effective date for the rule changes past the current date of January 1, 2021.

Attachment Three

CSAC Reply Comments Filed October 27

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Consider Revisions to Electric Rule 20 and Related Matters.	Rulemaking 17-05-010 (Filed May 11, 2017)

REPLY COMMENTS OF THE CALIFORNIA STATE ASSOCIATION OF COUNTIES ON THE ADMINISTRATIVE LAW JUDGE'S RULING REQUESTING COMMENTS

October 27, 2020

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REPLY COMMENTS OF THE CALIFORNIA STATE ASSOCIATION OF COUNTIES ON THE ADMINISTRATIVE LAW JUDGE'S RULING REQUESTING COMMENTS

The California State Association of Counties (CSAC) respectfully submits these Reply Comments on the Administrative Law Judge's Ruling Requesting Comments, issued in this Rulemaking (R.) 17-05-010 (Electric Rule 20) on September 3, 2020 (September 3 ALJ Ruling). These Reply Comments are timely filed and served pursuant to the California Public Utilities Commission's (Commission's) Rules of Practice and Procedure and the September 3 ALJ Ruling.

I.
CSAC AGREES WITH MULTIPLE PARTIES WHO OPPOSE SUNSETTING THE RULE 20A PROGRAM

CSAC remains strongly opposed to the CPUC's proposal to sunset the Rule 20A program and urges the Commission to maintain the existing Rule 20A program with some modifications, as noted in CSAC's Opening Comments in response to the September 3 ALJ ruling. CSAC, along with multiple other parties, have consistently expressed opposition to sunsetting the program. San Diego Gas and Electric (SDG&E) notes that most parties have opposed the elimination of the Rule 20A program, and CSAC encourages that the Commission take this into consideration.[1]

[1] Opening Comments of SDG&E, at pp. 2-3.

II.
CSAC AGREES WITH PARTIES WHO RAISED CONCERNS ABOUT THE TIMELINE IN THE WIND DOWN IMPLEMENTATION PROPOSAL

CSAC's primary choice would be not to sunset the Rule 20A program; however, if the Commission ultimately decides to sunset the program, CSAC remains concerned with the accelerated timeline included in the Wind Down Implementation Proposal. CSAC agrees with some of the concerns raised and recommendations provided by other parties in response to the Wind Down Implementation Proposal.

CSAC agrees with the League of California Cities' (League's) Opening Comments, which state that:

> it is essential that the Commission devise an economically and legally feasible alternative to the Rule 20A program before it continues with its discussion of winding down the program under either proposal. Without such an alternative, the League and the CPUC are unable to analyze thoroughly the impact of such a wind down.[2]

CSAC shares these concerns and agrees that it is important for the Commission to first provide a legally feasible alternative to the Rule 20A program before it moves forward with efforts to wind down the program, as it is difficult for parties to comprehensively analyze what the impact of winding down the program would be.

CSAC also supports the League's suggestion urging the Commission to establish a committee with stakeholders to further discuss ways to improve utility undergrounding across the state in order to develop a more collaborative and informed ruling.[3] CSAC agrees that a reasonable deadline to complete such a working group would be approximately six months and encourages the Commission to invite jurisdictions of various sizes to participate, including rural counties.

[2] Opening Comments of the League, at p. 6.
[3] *Id.*, at p. 7.

If the Commission ultimately decides to move forward with the Wind Down Implementation Proposal, CSAC also supports SDG&E's recommendation urging the CPUC to initiate

> workshops to: (1) ensure appropriate implementation parameters are in place to support an expeditious ramp-down period; (2) provide an opportunity for municipalities, utilities, and other stakeholders to give input on the Wind Down Proposal to determine feasibility, time constraints, gaps, and potential mitigations; and (3) collect additional information to inform the record in justifying the reasonableness of proposed processes and procedures.[4]

CSAC encourages the Commission to implement this recommendation if the Commission moves forward with the Wind Down Implementation Proposal and also urges the Commission to engage jurisdictions of various sizes in these workshops, including rural counties.

CSAC recommends that any workshops on the Wind Down Implementation Proposal include discussions focused on providing clarification on what happens with Rule 20A projects that are not completed at the end of the 10-year timeframe. The Wind Down Implementation Proposal suggests that a partially completed Rule 20A project would convert to a Rule 20B project. CSAC agrees with Southern California Edison Company's (SCE's) comments, which state that:

> SCE does not view converting a Rule 20A project, that is partially complete, to a Rule 20B project as a viable alternative, since a portion of the cost would have already incurred pursuant to the Rule 20A program and also because the cities may not have the funding necessary to bear its share of the cost pursuant to the Rule 20B program, likely resulting in incomplete projects.[5]

CSAC agrees that it would not be feasible for jurisdictions to complete Rule 20A projects converted to Rule 20B projects if the Commission decides to sunset the Rule 20A program, as

[4] Opening Comments of SDG&E, at p. 7.
[5] Opening Comments of SCE, at p.8

the cost shares governmental entities would be responsible for under Rule 20B projects would prohibit the completion of these projects.[6]

CSAC also supports Tuolumne County's suggestion that "the proposed timeframe for wind down should allow enough time to ensure a community can proceed to use all remaining credits."[7] As noted in Tuolumne County's Opening Comments, Tuolumne County should be able to use the entirety of its Rule 20A work credit allocation and any other reallocated amounts if the program is phased-out. CSAC agrees that communities should have the opportunity to use all of their work credits and reallocated amounts should the Rule 20A program be sunsetted.

CSAC supports the The Utility Reform Network's (TURN) recommendation that work credit trading or selling be allowed during the sunset period, as it may be the only way that some communities will be able to benefit from their work credits.[8] As noted in CSAC's Opening Comments, allowing work credit trading among local governments during the phase-out period would give smaller and relatively disadvantaged communities the opportunity to exchange work credits for funding that jurisdictions can use for other community priorities.[9] Moving credits to other jurisdictions with no benefits to those who were assessed the fees in the first place is unjust and inappropriate.

III.
THERE ARE CONCERNS ABOUT PARTICIPATION OF UNDERSERVED AND DISADVANTAGED COMMUNITIES IN RULE 20 PROGRAMS UNDER THE TIERED RULE 20B STRUCTURE

CSAC continues to be concerned about the participation of underserved and disadvantaged communities in Rule 20 programs. As such, CSAC agrees with SDG&E that implementation of the Staff Proposal's equity criteria will not increase Rule 20 program

[6] Opening Comments of SCE, at p. 8.
[7] Opening Comments of Tuolumne County, at p. 4.
[8] Opening Comments of TURN, at p. 2.
[9] Opening Comments of CSAC, at pp. 8-9.

participation by underserved and disadvantaged communities. SDG&E correctly states that "the tiered Rule 20B structure and associated equity criteria would be detrimental to the [Rule 20] program and would likely result in fewer projects being completed."[10] As noted in CSAC's Opening Comments, small and disadvantaged communities face challenges in leveraging the types of resources needed to complete Rule 20B projects, and the proposal does not address the equity issues that these communities experience.[11]

IV.
CONCLUSION

CSAC appreciates the opportunity to submit these reply comments and reiterates its opposition to sunsetting the Rule 20A program. CSAC's primary request is that the Commission maintain the existing Rule 20A program with some modifications. However, if the Commission ultimately decides to move forward with its proposal to sunset the program, CSAC has significant concerns with the accelerated timeline included in the Wind Down Proposal and urges the Commission to consider the recommendations provided by other parties suggesting that the Commission form a working group and hold workshops to discuss proposed changes to Rule 20 programs in a more collaborative manner.

Respectfully submitted,

October 27, 2020

/s/ MEGAN M. MYERS

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[10] Opening Comments of SDG&E, at pp. 4-5.
[11] Opening Comments of CSAC, at p. 6.

Attachment Four

VMT Threshold Examples

VMT Threshold Adoption Examples:

1. **Contra Costa County** Transportation Analysis Guidelines https://www.contracosta.ca.gov/7767/Senate-Bill-SB-734

2. **El Dorado County** Resolution adopting VMT Thresholds of Significance https://www.edcgov.us/Government/BOS/Resolution%20Search/Documents/RES%20141-2020.pdf#search=vmt

3. **Nevada County** Transportation Commission threshold recommendations https://www.nctc.ca.gov/Projects/SB-743-VMT/index.html and Nevada County Traffic Impact Analysis Guidelines https://www.mynevadacounty.com/DocumentCenter/View/34947/TIS-Guidelines-Update-2020-Final

4. **Sacramento Council of Governments** Travel Demand Model https://www.sacog.org/modeling

5. **San Diego County** website regarding SB 743 implementation https://www.sandiegocounty.gov/content/sdc/pds/SB743.html

6. **Santa Cruz County** BOS item with agenda and resolution for the VMT threshold adoption https://santacruzcountyca.iqm2.com/Citizens/Detail_LegiFile.aspx?Frame=&MeetingID=1802&MediaPosition=0.000&ID=9103&CssClass= and website with information for development applicants https://www.sccoplanning.com/PlanningHome/Environmental/Transportation.aspx

7. **Western Riverside Council of Governments** Planning Tool https://www.fehrandpeers.com/wrcog-sb743/