



SILICON VALLEY
LEADERSHIP GROUP



August 19, 2024

Governor Gavin Newsom
1021 O Street, Suite 9000
Sacramento, CA 95814

Senate President Pro Tempore Mike McGuire
1021 O Street, Suite 8518
Sacramento, CA 95814

Speaker of the Assembly Robert Rivas
California State Capitol
P.O. Box 942849
Sacramento, CA 95814

RE: Reject Proposals to Cut CalSHAPE, SGIP, and SOMAH Energy Programs

Dear Governor Newsom, Senate Pro Tem McGuire, and Speaker Rivas,

We, the undersigned organizations representing a diverse coalition of environmental, education, environmental justice, affordable housing, and clean energy entities are deeply concerned about potential proposals that would cut funding for critical programs that advance energy affordability, reliability, and climate resilience for vulnerable communities. We call on the legislature and administration to instead develop a comprehensive strategy to address energy affordability that prioritizes California's climate goals and maintains support for the least-resourced communities.

We have become aware of proposals being considered to cut several key state energy programs with the intent of providing relief to energy ratepayers. We share state leaders' priority of reducing utility bills for all Californians. However, these regressive cuts run counter to California's goals on equity and climate progress, and would provide only short-term and extremely minimal relief to utility customers.

We are deeply concerned about proposals that would target the following programs:

- **California Schools Healthy Air, Plumbing, and Efficiency (CalSHAPE)** funds critical heating, ventilation, and air conditioning (HVAC) improvements in schools. 2024 is on track to be the hottest year in recorded history. Any proposal to withdraw funding intended to protect school children and employees from extreme heat and air pollution is not only misguided, but dangerous.
- **The Self-Generation Incentive Program (SGIP)** supports installation of energy storage and distributed generation technologies for vulnerable communities. These systems not only help individual owners keep their lights on and reduce their electric bills, but also provide substantial reliability and affordability benefits

to all Californians. In 2021 and 2022, SGIP systems saved ratepayers \$27 million through avoided costs across utilities.¹

- **Solar on Multifamily Affordable Housing (SOMAH)** helps fund solar energy systems on multifamily affordable housing, cutting energy costs for low-income tenants and contributing to workforce and economic development in underserved communities.

The above programs provide a myriad of climate, health, and affordability benefits to schools, tenants, and low-income communities in addition to the general ratepayer. Cutting them would provide negligible reductions on energy bills in the short-term, while sacrificing the long-term climate and affordability benefits they provide.

There are no “quick fixes” to California’s high energy costs. Focusing on short-term tactics will not resolve California’s affordability crisis. Instead, it will exacerbate it, making our energy system more expensive, polluted, and dangerous - especially for our most vulnerable communities. We cannot afford to pursue hasty cost-cutting measures that fail to address the root causes of this crisis.

We urge state leaders to reject these proposed cuts and instead focus on creating a long-term and strategic vision for managing energy costs, informed by environmental justice advocates, industry experts, utilities, labor advocates, and agency partners. We thank you for your attention to these critical issues and for your commitment to ensuring electricity is affordable for all Californians. We look forward to having further discussions with each of you about how to achieve our shared goals together.

Sincerely,

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Advanced Energy United

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Interim California Director
Building Decarbonization Coalition

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Natural Resources Defense Council

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Rachel McMahon
VP Policy
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¹ [“2021-2022 SGIP Impact Evaluation”](#) Verdant Associates, submitted to Pacific Gas & Electric Company SGIP Working Group. May 29, 2024

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Cc:

Assemblymember Cottie Petrie-Norris, Chair, Assembly Utilities and Energy Committee
Senator Steven Bradford, Chair, Senate Energy, Utilities, and Communications
Committee