

To: Honorable Public Utilities Board

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Approved by: /IS/
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Subject: By Motion, Approve Alameda Municipal Power’s Definition of “Low-Income” For Programs Funded Through Low Carbon Fuel Standard Credit Proceeds, and Find the Action Exempt from the California Environmental Quality Act

RECOMMENDATION

By motion, find AMP’s action is not a CEQA project pursuant to CEQA Guidelines Section 15378, is exempt from the California Environmental Quality Act pursuant to CEQA Guidelines Section 15061(b)(3) as outlined in the administrative report, and approve Alameda Municipal Power’s definition of “low-income” for programs funded through Low Carbon Fuel Standard credit proceeds.

BACKGROUND

The California Air Resources Board (CARB) implemented the Low Carbon Fuel Standard (LCFS) program in 2011, designed to reduce greenhouse gas (GHG) emissions from the transportation sector. The program sets carbon intensity reduction targets for fuel suppliers, with a credit and deficit system determining compliance. Transportation fuels with a higher carbon intensity value than the established benchmark generate deficits, while transportation fuels with a lower carbon intensity than the established benchmark generate credits. Fuel suppliers must continuously balance these credits and deficits in their operations. If they incur a deficit by the end of the reporting year, they are required to purchase credits until they are compliant again. The purchase and sale of these credits influence a marketplace that is subject to a high degree of volatility.

Alameda Municipal Power (AMP) generates LCFS credits by supplying electricity to electric vehicles (EVs) within its service territory. AMP sells these credits and reinvests the proceeds in transportation electrification programs in the City of Alameda, while in accordance with LCFS regulation.

The LCFS program requires a portion of credit proceeds to fund equity-focused transportation electrification projects benefiting disadvantaged communities, low-income communities and individuals, and rural areas. To ensure this requirement is met, AMP staff recommends adopting a definition of “low-income” that better reflects the low-income communities and low-income individuals in the City.

DISCUSSION

Under the LCFS program, low-income communities and individuals are defined using the California Department of Housing and Community Development State Income Limits as households generally earning at or below 80 percent of the statewide median income. Disadvantaged communities are defined through Senate Bill (SB) 535, which includes one census tract primarily encompassing Alameda Point. Rural areas are defined through the latest US Census data, and there are currently no census tracts in the City of Alameda.

While LCFS regulations utilize state and federal definitions for low-income communities and individuals, it does not account for the unique demographics of AMP's customers. As a result, AMP's ability to administer funds to transportation electrification projects that benefit low-income communities and individuals is highly limited. However, LCFS regulations do allow for a "low-income" definition to be established by a publicly-owned utility's (POU) governing body, and several other Northern California Power Agency (NCPA) members have adopted their own definition through this process. *See* 17 Cal. Code Regs. Sec. 95483. By implementing its own definition of "low-income" as permitted in the LCFS regulations, AMP can remain committed to incorporating equity into its programs and establishing clear eligibility guidelines for low-income participation.

Proposed Definition

The proposed definition, if adopted, defines "low-income" in AMP's Customer Programs funded by LCFS credit proceeds as (A) meeting any of the existing criteria established by CARB in LCFS regulations for low-income; or (B) meeting the following criteria:

1. "Low-income individual" is any of the following:
 - A person who is enrolled in AMP's Energy Assistance Program (EAP)
 - A person who resides in the City of Alameda and qualifies for EAP, but may not be the account holder (e.g., master-metered apartment complexes, rental properties where the property owner holds the utility account, etc.)
2. "Low-income community" is any of the following in AMP's service territory:
 - Census tracts within any of the following CalEnviroScreen percentiles:
 - Overall percentile greater than 40 percent
 - Poverty percentile greater than 40 percent
 - Housing burden percentile greater than 40 percent
 - Community gathering places
 - Public schools and colleges
 - Grocery stores, supermarkets, and shopping centers
 - Multi-family housing complexes with an active Affordable Housing Regulatory Agreement (or similar documentation) with the local housing authority
 - 501(c) non-profits and community-based organizations

Energy Assistance Program (EAP)

AMP currently offers income-qualified residential customers a 25 percent discount on their monthly energy costs through EAP. Eligibility is based on household gross monthly income level and household size, with income limits that are consistent with the Department of Housing and Urban Development (HUD) for low-income households (up to 80 percent of area median income).

These individuals should also be considered “low-income individuals” for the purposes of LCFS funded programs.

EAP Qualified Non-Customers

Alameda has a number of residents who would have otherwise qualified for AMP’s EAP but may not be an account holder for a variety of reasons outside of their control (e.g., master-metered apartment complexes, rental properties where the property owner holds the utility account, etc.). This would only include individuals who qualify for EAP based on income levels and household size, currently reside in the City of Alameda, and do not have an active AMP account. These individuals should also be considered “low-income individuals” for the purposes of LCFS funded programs.

CalEnviroScreen Percentiles

Developed by the California Office of Environmental Health Hazard Assessment, the CalEnviroScreen mapping tool is used by government agencies to guide decisions and direct resources to the communities most impacted by pollution (e.g. CalEnviroScreen is currently used by the state’s Cap-and-Invest program to identify disadvantaged communities (DACs) under SB 535). Staff recommends incorporating the CalEnviroScreen overall results, poverty, and housing burden percentiles 40 percent or greater in the proposed definition.

Overall Score: A composite indicator aiming to quantify cumulative impacts of pollution burden and population characteristics, with individual indicators being weighted appropriately. The City’s CalEnviroScreen overall percentiles are shown in Figure 1 below.

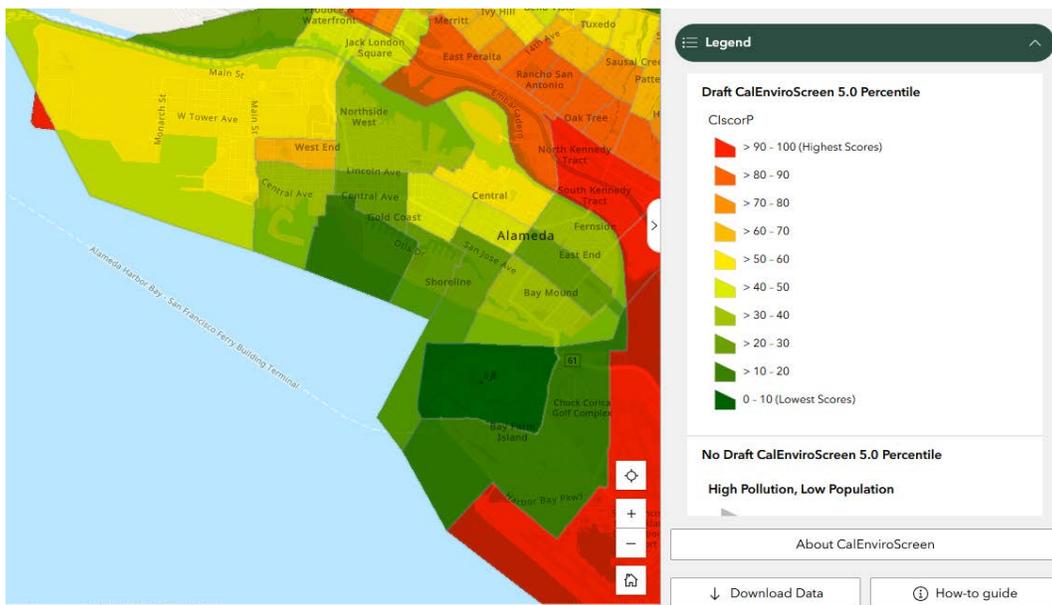


Figure 1. CalEnviroScreen Overall Percentiles for the City of Alameda

Poverty: Percent of the population living below two times the federal poverty level (5-year estimate, 2019–2023). The City of Alameda’s CalEnviroScreen poverty percentiles are shown in Figure 2 below.

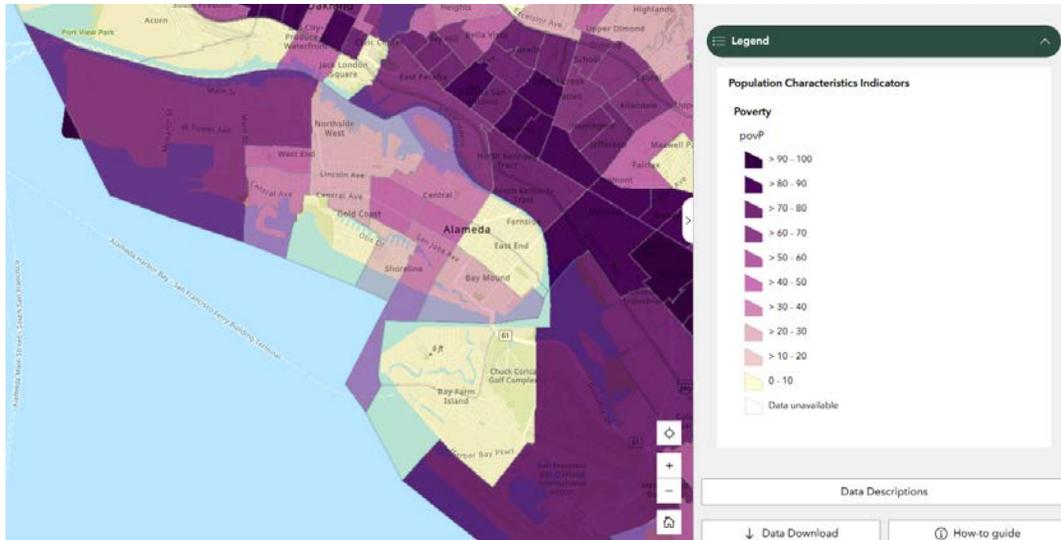


Figure 2. CalEnviroScreen Poverty Percentiles for the City of Alameda

Housing Burden: Percent of households earning below 80 percent of Area Median Family Income by county while paying greater than 50 percent of their income to housing costs. Alameda’s housing burden percentiles are shown in Figure 3 below.

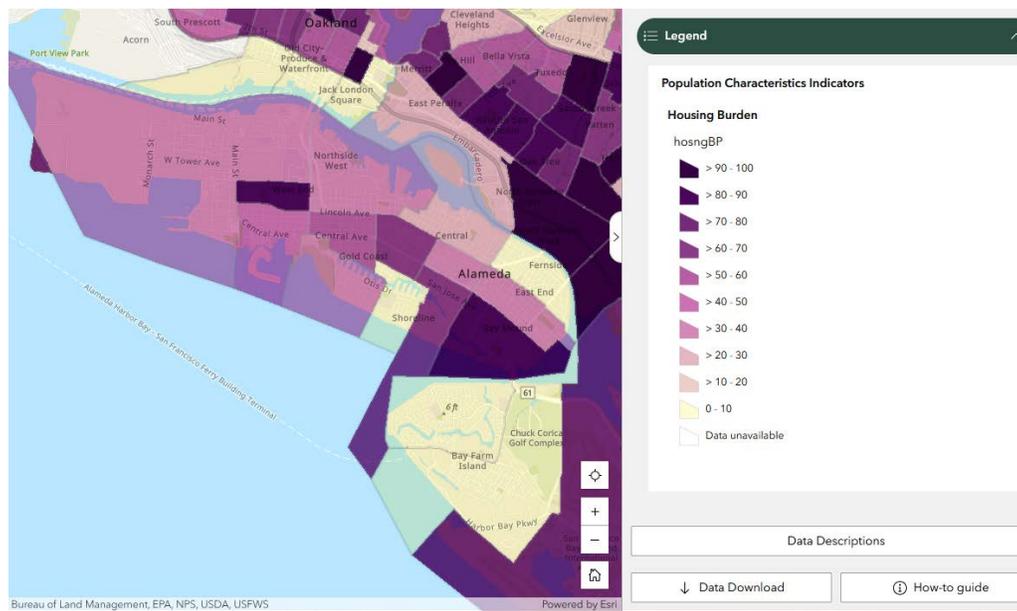


Figure 3. CalEnviroScreen Housing Burden Percentiles for the City of Alameda

Community Gathering Places

Community gathering places are defined as locations within the City designed to facilitate public interaction, shared activities, and civic discourse among residents. These spaces are non-commercial establishments that reinforce social ties, promote local identity, and serve as critical infrastructure for local action and mutual aid. Relevant examples include, but are not limited to, public parks, libraries, community centers, and youth centers.

Public Schools and Colleges

Public educational institutions in the City of Alameda serve low-income households and are valuable areas to implement clean transportation initiatives. AMP will be using the following descriptions to determine eligibility under its low-income definition for LCFS funded programs:

- Public Schools: K–12 educational institutions that are under the local school district for the City of Alameda.
- Public Colleges: Postsecondary educational institutions that are under the local college district and are located in AMP’s service territory.

Shopping Centers and Grocery Stores/Supermarkets

In coordination with GreatBlue Research Inc., AMP was able to utilize the California Municipal Utilities Association (CMUA) Residential Electric Customer Satisfaction Study 2025 to understand the EV charging needs of its low-income customer base. Out of the 535 survey respondents, 143 were associated with low-income households as defined by the income limits of EAP. Respondents were asked their preferred types of place for public charging installation. The results are shown in Figure 4 below.

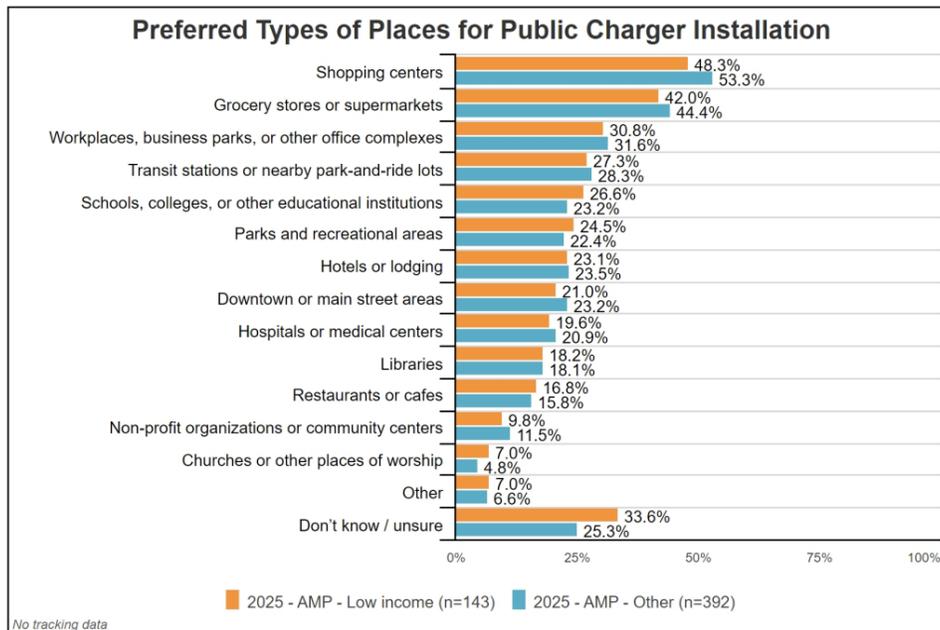


Figure 4. Preferred Types of Places for Public Charger Installation

Based on the findings shown in Figure 4, the two types of place most preferred by AMP’s low-income customer base for new public EV charging are shopping centers (selected by 48 percent of AMP’s low-income respondents) and grocery stores/supermarkets (selected by 42 percent of AMP’s low-income respondents). In order to ensure alignment of AMP’s programs and the desires of low-income Alamedans, AMP will incorporate shopping centers and grocery stores/supermarkets into its low-income definition for LCFS funded programs. The following descriptions provided by the State of California will be used to determine eligibility in these programs:

- Shopping Center: A group of commercial establishments, planned, developed, owned, and managed as a unit related in location, size, and type of shops to the trade area that the unit serves; it provides on-site parking in definite relationship to the types and sizes of stores.
- Grocery Store/Supermarket: An establishment having as its principal line of business the sale of food products and related items. The term includes separate grocery departments in department stores but does not include delicatessens, country or general stores, and establishments that handle groceries as a sideline.

Affordable Multi-Family Housing

Multi-family housing properties in disadvantaged communities and low-income communities are already included in the current LCFS low-income definition, but those types of properties are limited in Alameda. AMP recommends expanding the low-income definition to multi-family housing complexes (with four or more units) that have an active Affordable Housing Regulatory Agreement (or similar documentation) with the local housing authority.

Non-Profits and Community-Based Organizations

Many non-profits and community-based organizations provide services to low-income households, or their missions align with supporting disadvantaged communities. The following descriptions will be used to identify low-income projects in LCFS funded programs:

- Non-Profit: A 501(c)(3) organization that must not serve any private interests, and their earnings must be used for charitable purposes only.
- Community-Based Organization: An informal or volunteer-driven organization that is representative of a community, or a significant segment of it, and is dedicated to meeting local human, educational, environmental, or public safety needs.

Once approved, AMP staff will begin designing and administering transportation electrification programs that incorporate this definition of “low-income” in AMP’s ongoing effort to promote equity and sustainability.

It should be noted that this definition of “low-income” is specific to AMP’s transportation electrification programs funded by LCFS credit proceeds, and is not applicable to other programs such as EAP.

FINANCIAL IMPACT

In fiscal year (FY) 2026, staff budgeted \$1,015,000 towards LCFS program spending and is forecast to spend around \$500,000 by the end of the fiscal year. Staff have a preliminary estimate for FY 2027 that with the adoption of the new “low-income” definition spending could reach \$740,000.

ENVIRONMENTAL REVIEW

Alameda Municipal Power finds that its actions are not a project as defined by CEQA Guidelines Section 15378, which excludes “continuing administrative...activities” and

“organization or administrative activities of governments...” Alameda Municipal Power further finds that it can be seen with certainty that there is no possibility that the activity will result in a direct or reasonably foreseeable indirect change in the environment. The project involves defining “low-income” as it applies to AMP’s LCFS funded programs, and there is no potential for direct or indirect changes in existing conditions as a result.

Alameda Municipal Power further finds that its actions are exempt CEQA pursuant to CEQA Guidelines §§ 15268, which excludes ministerial actions. More specifically, Alameda Municipal Power finds its action is subject to the commonsense exemption because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

[LINK TO STRATEGIC PLAN AND METRICS](#)

Sustainability, Tactic 1, Strategy 2: Promote transportation electrification

[EXHIBITS](#)

- A. AMP Definition of Low-Income for the Purposes of Funding Received Through State LCFS Program

EXHIBIT A

Alameda Municipal Power Public Utilities Board Definition of “Low Income” for the Purposes of Funding Received Through the State Low Carbon Fuel Standard Program

California Code of Regulations Section 95483, which governs the State Low Carbon Fuel Standard (LCFS) Program, requires a portion of credit proceeds to fund equity-focused transportation electrification projects benefiting disadvantaged communities, low-income communities and individuals, and rural areas.

While LCFS regulations utilize state and federal definitions for low-income communities and individuals, it does not account for the unique demographics of Alameda Municipal Power’s (AMP) customers. LCFS regulations allow for a low-income definition to be established by a publicly-owned utility’s (POU) governing body. By adopting a definition of “low-income” that better reflects the low-income communities and low-income individuals in the City of Alameda, AMP can remain committed to incorporating equity into its programs and establishing clear eligibility guidelines for low-income participation.

For the purposes of funding received through the State Low Carbon Fuel Standard Program, the Public Utilities Board of the City of Alameda defines “low-income” to include the existing criteria in California Code of Regulations Title 17 section 95483(c)(1)(A)(5)(a), as well as the following:

1. “Low-income individual” is any of the following:
 - A person who is enrolled in AMP’s Energy Assistance Program (EAP)
 - A person who resides in the City of Alameda and qualifies for EAP, but may not be the account holder (e.g., master-metered apartment complexes, rental properties where the property owner holds the utility account, etc.)
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