Foundations of Energy Equity & Energy Policy Trends

Tuesday, April 16

Agenda

- Defining Energy Equity
- Measuring Energy Equity
- Energy Equity Work in Progress
- Energy Policy Trends

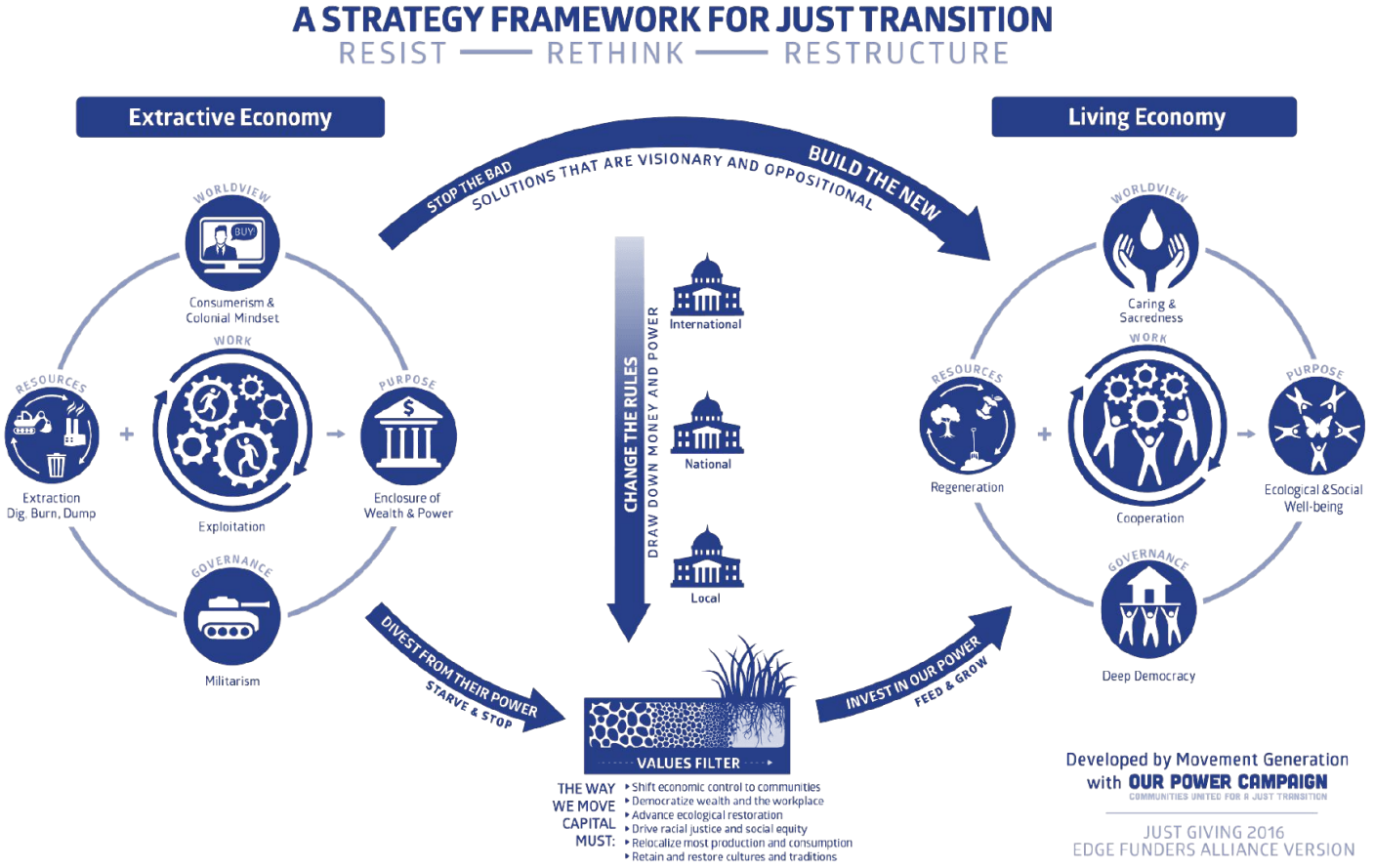
Defining Energy Equity

Energy Justice, Energy Equity, Energy Democracy

- **Energy Justice and Energy Equity** have been used interchangeably in many advocate circles
  - “The goal of achieving equity in both the social and economic participation in the energy system, while also remediating social, economic, and health burdens on those by the energy system.”
- “**Energy Democracy** is about empowering communities and individuals to take control of their energy future. Under Energy Democracy, working people, low-income communities, and communities of color and their allies, take control of energy resources and decision-making from the corporate energy establishment and use those resources to empower their communities.”
  - Decentralized
  - Democratized
  - (Re)Distributed
  - Diversified

https://iejusa.org/section-1-defining-energy-justice/
https://energydemocracy.us/people-powered-energy-model/

Achieving Energy Equity: Just Transition



Measuring Energy Equity in 4 Dimensions

Dimension 1: Recognition

DIMENSION	INDEX	DESCRIPTION	SAMPLE METRICS
RECOGNITION	Historical	Captures historic disinvestment, discrimination, disenfranchisement, and environmental justice burdens that continue to impact present circumstances.	· Proportionate disparities in historic program spending and savings by race, income · Historic presence of toxic facilities/superfund sites/cancer clusters · Anti-equity/anti-clean energy lobbying expenditures · Redlining and housing discrimination
	Identity	Captures demographic, social-economic, and geographic variables that are closely correlated with energy and climate vulnerability and disproportionately high burdens and low benefits from the energy system.	· Climate vulnerability score · Housing access/stress · Demographics · Pollution burden · Health measures (e.g. asthma rates) · Economic indicators (e.g. % HH below 50% AMI)
	Security	Captures data that indicate how continuously, safely, and reliably one has access to energy without interruption or compromising other basic needs or comfort.	· Power outage frequency and disparities · Shutoffs/shutoff policies · Arrearages · Energy as human right declarations
	Affordability	Considers rate structures, payment plans, financial assistance, household financial benefits from clean energy programs, and disparities in energy costs among different demographic groups.	· Presence of progressive/lifeline rate structures · Maximum limits on energy burdens · Rate disparities between residential, commercial, industrial · Size of overall safety net (per capita) · % of safety net spent on longterm afforability, vs bill assistance

https://energyequityproject.com/wp-content/uploads/2022/08/220174_EEP_Report_8302022.pdf

Dimension 2: Procedural

PROCEDURAL	Procedural	To what extent are BIPOC, frontline, and low-income residents able to engage in PUC cases, decarbonization planning, and have a meaningful voice in how plan and policies are created and designed. To what extent are they the architects of their energy future?	· Presence/extent of intervenor funding and resources · PUC commissioner selection process and representation · Mandatory equity training for PUC (and utility?) staff · Data disclosure requirements · Utility performance incentives and penalties tied to equity targets
	Access	How easy is it for people to learn about, qualify for, and enroll in programs?	· Multi-lingual ads, program materials, enrollment, and participation · Marketing representing and to BIPOC, frontline audiences · Disparities in participation rates · Financing availability and eligibility requirements · Access for renters · Auto- and co-enrollments, ease of enrollment

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Procedural Equity Metrics

See Program Access Metrics for additional considerations

P1. Ease of access to participate meaningfully	P2. Information transparency measures	P3. Utility internal practice of equity
P4. Presence and involvement of public advocates	P5. Participatory budgeting and program design	P6. Utility penalties for missing equity targets
P7. Defined equity goals and principles	P8. Engagement in policy writing and rulemaking	P9. Access to public intervenor funds
P10. Staff and decision-maker representation	P11. Limiting utility influence on regulators and legislators	P12. Scale of investment in equity initiatives

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Program Access Metrics

See Procedural Index Metrics for additional considerations

PA1. Access to clean energy financing	PA2. Language accessibility	PA3. Ease of qualifying and participation
PA4. Effective marketing tactics	PA5. Access for renters	PA6. Funding for home health and safety issues

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Dimension 3: Distributive

DISTRIBUTIVE	**Household benefits**	Captures immediate financial and health benefits that participating households receive.	• Proportion of high impact programs received by BIPOC, LI, frontline households • % BIPOC households achieving >25% energy savings • Reduction in unhealthy/unsafe housing conditions among BIPOC; improved indoor air quality • Reductions in negative health conditions among BIPOC
	Community benefits	Captures medium- and long-term community level or indirect benefits including health, wealth-building, jobs, and environment.	• % of new jobs held by BIPOC, frontline, low-income • % of work for BIPOC-owned businesses; supportive policies • Wages and job quality for BIPOC, disparities • Reduction in heat islands, localized flooding • Improved outdoor air quality • Community health outcomes

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Dimension 4: Restorative

RESTORATIVE	**Reparations & Accountability**	How do we liberate data and ensure transparency? How do we rectify and compensate for past harms and ensure they are not perpetuated in the future? How do we ensure that all dimensions of equity are considered holistically, with no dimensions ignored?
	Power to the People	Who owns clean energy and receives the economic and environmental benefits? How do governance structures benefit or harm frontline communities? Who designs the systems? Who are the ultimate decision-makers?
	Indigenous Sovereignty	How can a just transition promote visibility, healing, and a different relationship with energy? How are we connecting Indigenous justice and environmental justice and elevating the landback movement? How can clean energy and climate programs respect and honor Indigenous Sovereignty and traditional knowledge? How can we ensure that we are not perpetuating the language and practices of colonizers and move beyond a capitalist mindset? How do we measure/evaluate progress towards Indigenous Sovereignty in the realm of energy and climate?
	Restoring Our Relations	How are we protecting and restoring ecosystems holistically and not merely transferring impacts to far away sacrifice zones? How can we shift our language and cultural practices to recognize non-human kin? How do we recognize and uplift the right of other species and ecosystems to exist? How can we ensure a habitable planet for future generations?

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Achieving Energy Equity

1. Review equity prompts
2. Map out a process for co-creation with frontline communities
3. Define equity dimensions
4. Co-create principles for each dimension
5. Set equity targets
6. Establish metrics for accountability
7. Develop a process for collecting and transparently sharing data
8. Establish best practices and use of qualitative data
9. Define roles and responsibilities for implementation

Regulators:

- What does our mandate say about our ability to advance energy equity? Where do we have opportunities to center equity in our interpretation of statutes, policies, and rules? If some would argue we "go too far" to advance energy equity, what are the likely and potential consequences of our actions? How can we minimize the risks?
- How can we make our work more transparent and accessible to people who have traditionally been excluded from regulatory processes? How are we providing accessible opportunities to learn how the process works?
- How are we practicing equity internally? Consider hiring and promotion processes, tracking and reporting staff demographics, representation of staff leadership, mandatory equity trainings and integrating equity in job responsibilities and performance evaluations. How are we communicating these efforts publicly?

Frontline communities:

- What guiding principles do we want to see established in the energy system?
- What is the extent of energy inequities we face? What data is available to help us quantify these inequities? How can we compliment this data with the stories of our lived experiences?
- What are the structural issues in the energy system (financial, regulatory, policy) that have and continue to contribute to these inequities? How would we remediate them?
- Power mapping – who are making energy decisions that impact us? What specific powers do they have and what maintains those forms of power? What levers do we have to intervene?
- What tools, tactics, and narratives would inspire our community members to action?

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Energy Equity Work in Progress

California: Energy Equity Indicators

"California Energy Commission manages data known as Energy Equity Indicators to help identify opportunities to improve access to clean energy technologies for low-income customers and disadvantaged communities, increase clean energy investment in those communities, and improve community resilience to grid outages and extreme events."

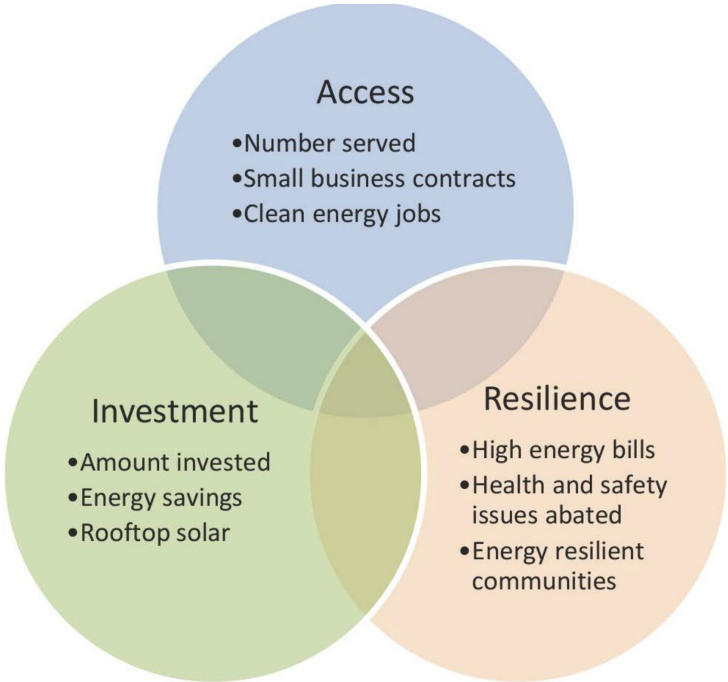
#	Recommendation	Indicator
1	Organizing a multiagency task force to facilitate coordination across state-administered programs	Health and safety issues abated
2	Enabling community solar offerings for low-income customers	Community energy resilience
3	Formulating a statewide clean energy labor and workforce development strategy.	Clean energy jobs
4	Developing new financing pilot programs to encourage investment for low-income customers.	Energy savings
5	Establishing common metrics and encouraging data sharing across agencies and programs.	All Indicators
6	Expanding funding for photovoltaic and solar thermal offerings for low-income customers.	Rooftop solar
7	Enhancing housing tax credits for projects to include energy upgrades during rehabilitation.	Amount invested
8	Establishing regional outreach and technical assistance one-stop shop pilots.	Number served
9	Investigating consumer protection issues for low-income customers and small businesses in disadvantaged communities.	Number served
10	Encouraging collaboration with community-based organizations in new and existing programs.	High energy bills
11	Funding research and development to enable targeted benefits for low-income customers and disadvantaged communities.	Amount invested
12	Conducting a follow-up study for increasing contracting opportunities for small businesses located in disadvantaged communities.	Small businesses

https://caenergy.maps.arcgis.com/apps/MapJournal/index.html?appid=d081a369a0044d77ba8e80d2ff671c93

California: Energy Equity Indicators

From the CEC Website:

- **Access.** Advance access to clean energy, including actions to increase availability of product selection options, access high-quality jobs, expand small business contracting opportunities, and improve access to non-debt financing offerings.
- **Investment.** Increase clean energy investment in low-income and disadvantaged communities, including technology development and demonstration funding, infrastructure investments, emergency preparedness, technical assistance, and local capacity building. Capacity building includes workforce development, small business development, outreach, and education for clean energy.
- **Resilience.** Improve local energy-related resilience, defined as energy services to support the ability of local communities to recover from grid outages and enjoy affordable energy in a changing climate. Local energy resilience includes energy reliability, energy affordability, health, and safety.



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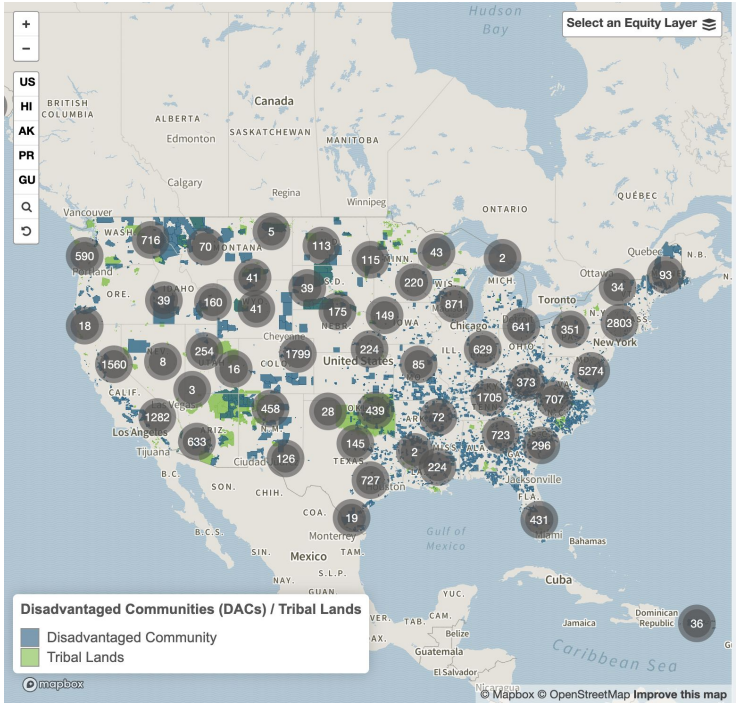
Justice40 and the Energy Justice Dashboard

- (Jan 2021) Executive Order 1408, Tackling the Climate Crisis at Home and Abroad established the Justice40 Initiative
- 40% of the overall benefits of certain federal investments must flow to disadvantaged communities
- Energy Justice Dashboard can be viewed as an accountability tool for advocates tracking investments



Energy Policy Trends

Trending Toward Progress

- Uptick in clean energy development
  - Examples: solar (rooftop, community, farms); wind; energy efficiency, vehicle electrification, building electrification, geothermal
  - Positive drivers: Market forces, energy security and reliability, state and federal incentives

Trending Toward Progress

- Fossil Fuel Retirements
  - Coal plants and gas peaker plants
  - Factors: capacity / peak load; availability of other base load and flexible resources; political sentiment; reliability perceptions; cost and volatility; finite resources
- Just Transition
  - Coal and gas extraction
  - Tax base
  - Job training for clean energy careers

"Just Transition is a principle, a process and a practice."
— Just Transition Alliance

Trending Toward Progress

Grid Modernization

- Advanced/Smart meters
- Data access
- Third Party energy management
- Microgrids
- Smart switches
  - Factors:
    - cost and cost savings
    - potential environmental benefits
    - meaningful access to data
    - real-time outage reporting

Public Perception of Climate and Equity Policies

- Environmental + Economic + Health + Independence
- Equity considerations embedded (in theory)