Leading with Equity:
Centering Energy Equity

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The American Council for an Energy-Efficient Economy is a nonprofit 501(c)(3) founded in 1980. We act as a catalyst to advance energy efficiency policies, programs, technologies, investments, & behaviors.

Our research explores economic impacts, financing options, behavior changes, program design, and utility planning, as well as US national, state, & local policy.

Our work is made possible by foundation funding, contracts, government grants, and conference revenue.

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CLIMATE
JUSTICE
NOW!

An Equitable Energy System...

Institutionalizes accountability for achieving equitable outcomes from government, utilities, and other stakeholders

Embeds inclusive, accessible, and authentic community engagement in the development of policies and programs

Recognizes and addresses historical, cultural, and institutional dynamics and structures that created past and current inequities



Ensures representation, power, and influence from community members and/or environmental justice advocates in decision-making and implementation processes



Considers intergenerational impacts and does not create policies or programs that unjustly burden future generations



Achieves a fair distribution of opportunities, benefits, and burdens for all communities

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www.aceee.org/topic/energy-equity

How Can We Achieve an Equitable Energy System?

Structural Equity

Decision makers **recognize the historical, cultural, and institutional dynamics** that have led to clean energy inequities

Decision-makers **reform programs that perpetuate disparities** and build programs that are equitable for all residents

Procedural Equity

Decision makers **create inclusive and accessible processes** for developing and implementing clean energy programs

Community members have **authentic leadership roles** that define, drive, and hold accountable clean energy policy and program decisions and outcomes

Distributional Equity

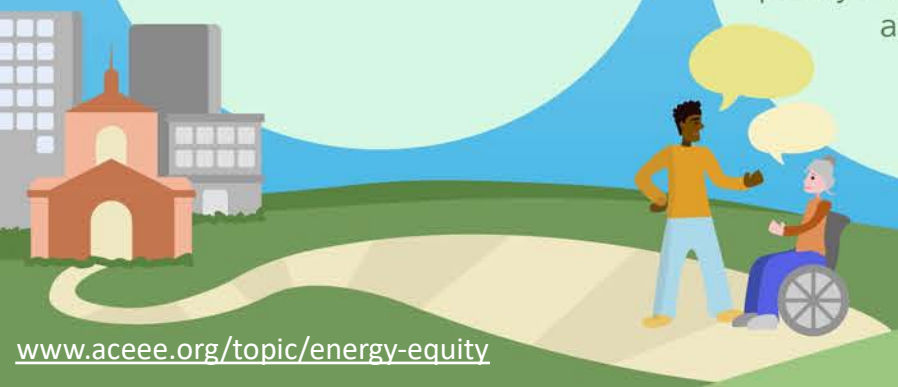
Clean energy policies and programs **fairly distribute the benefits and burdens** across all segments of communities

All residents enjoy the benefits of clean energy programs—such as lower bills, clean energy jobs, clean energy investment, and community wealth—and no community shoulders unjust burdens

Transgenerational Equity

Decision makers **consider the impact on future generations** of the clean energy policies and programs they develop.

Decision makers create solutions that **benefit future generations** and eliminate practices that could place unfair burdens on our children









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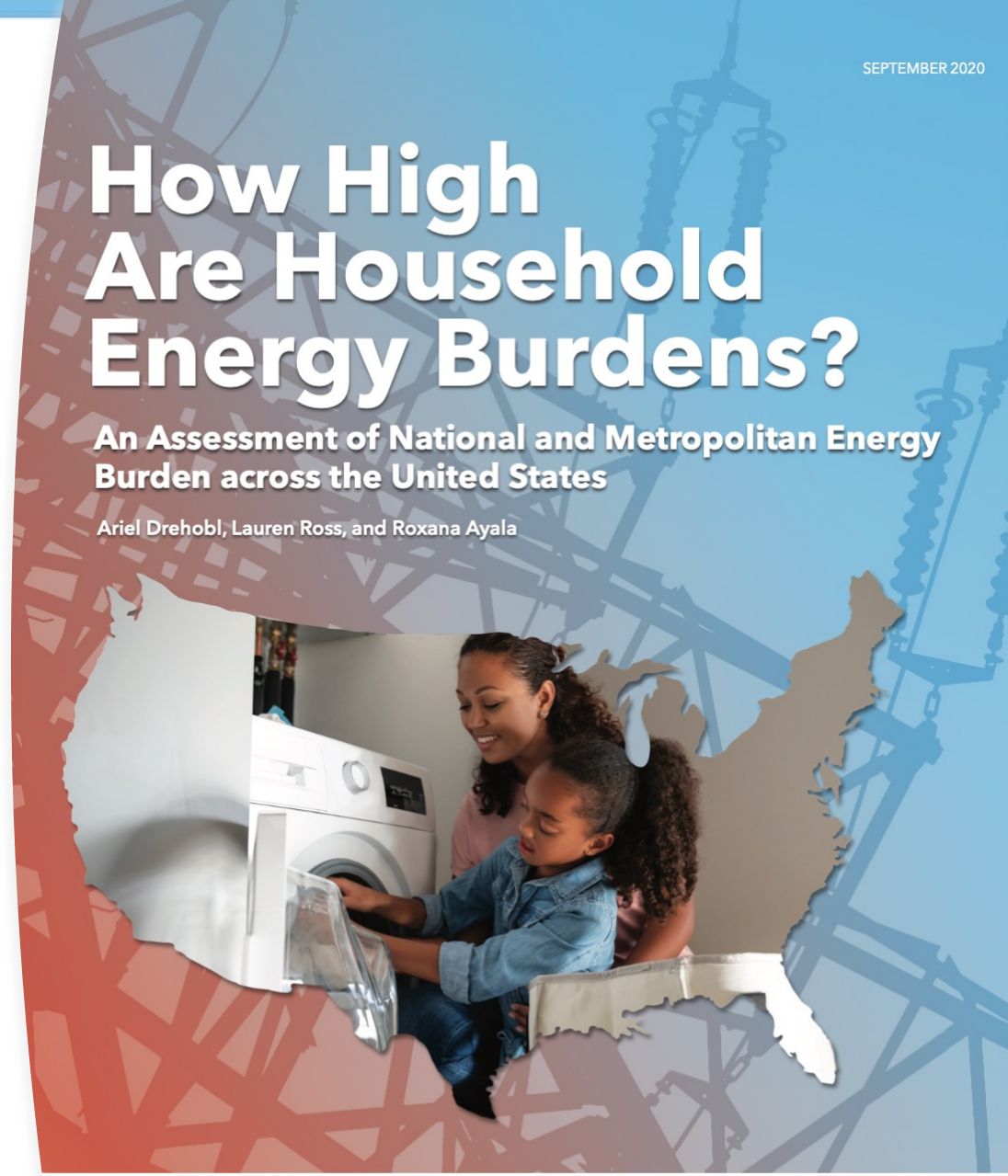
Adapted from the Urban Sustainability Directors Network's 2014 report written by A. Park, Equity in Sustainability: An Equity Scan of Local Government Sustainability Programs

ACEEE Energy Burden Research

- Energy Burden = Annual energy bills/Annual income
  - **E.g., $1,500/$50,000 = 3% energy burden**
  - ***Annual energy bills include electricity, natural gas, and other heating fuels.***

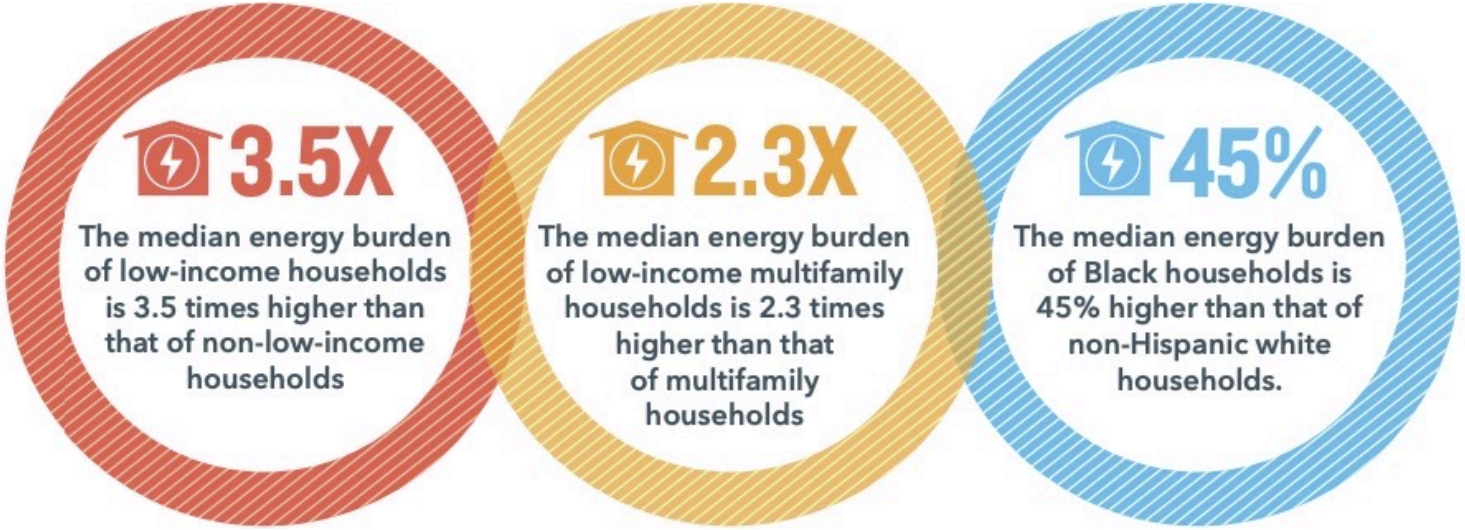
- Report, short video, and 26 factsheets available at: www.aceee.org/energy-burden

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Energy Burden Findings: **National Burdens**

- Median energy burden is **3.1%,** and the median low-income energy burden is **8.1%**
- **A quarter of low-income households have an energy burden above 14.4%,** which is almost 4.5 times higher than the median energy burden
- **25%** of all households (**30.6 million**) have a high energy burden (above 6%)
- **36% of Black households** (6 million), **28% of Hispanic households** (4.6 million), and **36% of Native American households** (540,000) experience a high energy burden (above 6%)



National Energy Burden Factsheet available at
aceee.org/energy-burden

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History of Polices Impacting Energy Justice

- Older and poorer quality housing impacts health, comfort, and energy and water bills
- Historic policies have led to low-income households and communities of color concentrated in areas with historic disinvestment, poorer quality housing, greater pollution, and fewer high-quality jobs
- Examples of policies at the local, state, and federal levels impacting this outcome include:
  - **Redlining and racial covenants**
  - **Discriminatory lending and less of access to financial capital**
  - **Mass incarceration**
  - **Employment discrimination**
  - **Underfunded schools**

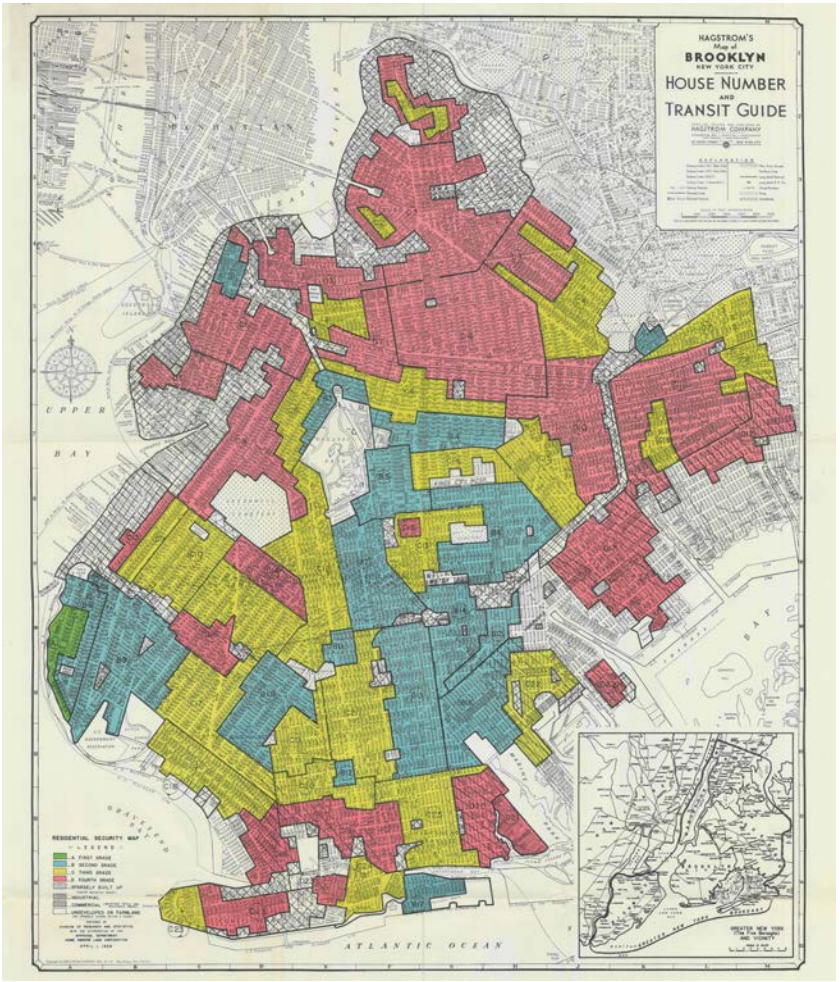
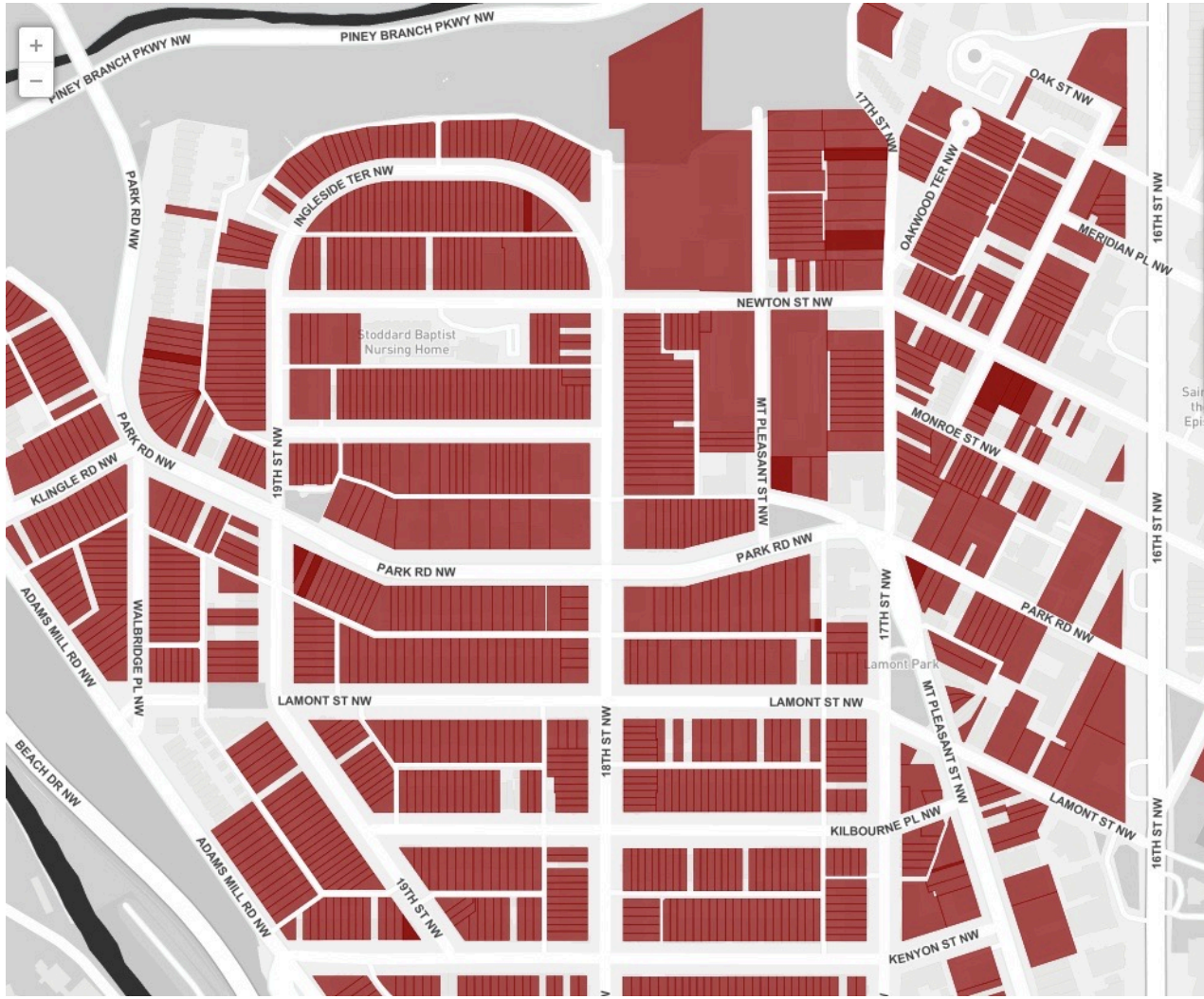


Image from NYT of redlining in NYC: https://www.nytimes.com/2017/08/24/upshot/how-redlinings-racist-effects-lasted-for-decades.html

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Case Study: Washington, DC: Racially Restrictive Covenants

- Racially restrictive covenants (RRCs) shaped the city
  - Legalized form of segregation starting in 1900 through 1948
  - Restricted residents by race and/or religion
- RRCs combined with discriminatory lending practices and policies limited intergenerational wealth building for communities of color and especially Black households

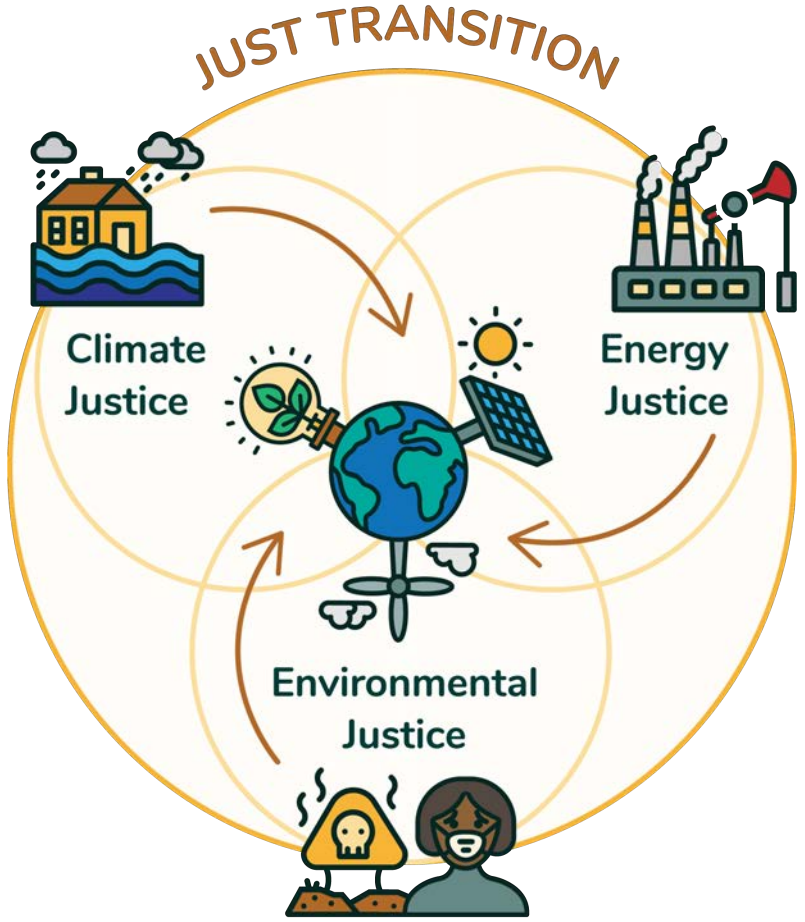


Map of Mt. Pleasant, DC highlighting homes that had racially restrictive covenants, mappingprejudice.umn.edu/prologue_dc_carto/seg_housing/

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Benefits of Clean Energy Investment

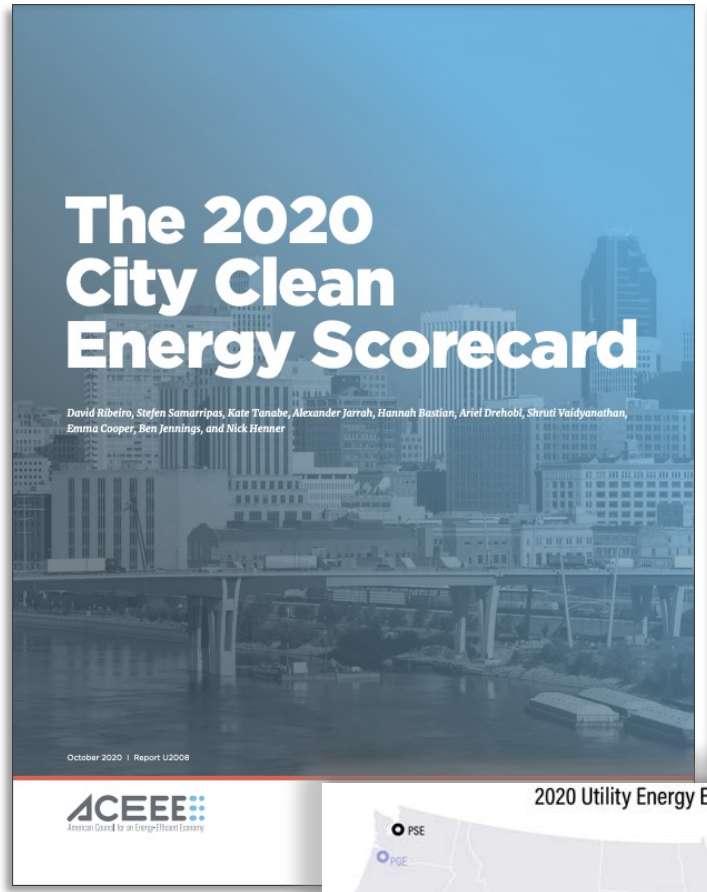
Examples of benefits Include:	
To Participants	• Energy and bill savings • Improved home comfort and health that lead to fewer hospital visits, more days at work, more school days) • More resilient homes and consistent energy access
To utilities and ratepayers	• Avoided costs of new generation • Reduced arrearages and shut-offs • Improved grid reliance and resilience • Lower grid upkeep costs for ratepayers
To communities	• Fewer pollutants emitted from power generation (i.e., improved air quality) • Improved indoor air quality and community health • Local job creation • Potentially more distributed and locally-owned generation furthering energy democracy • More reinvestment in the community

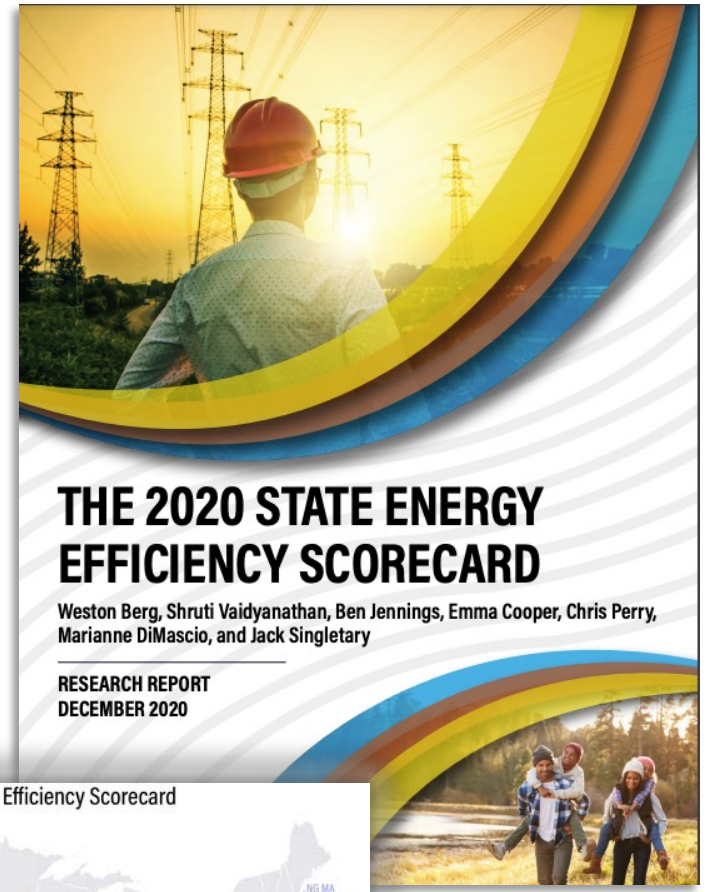


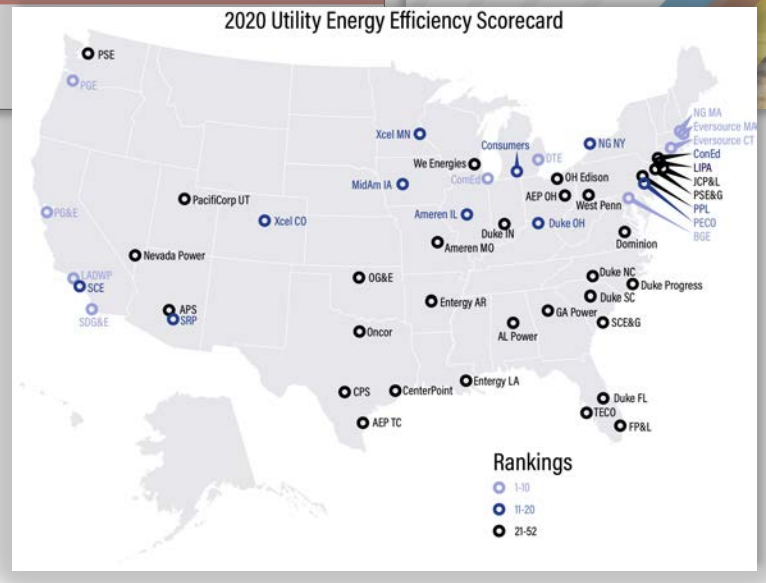
Initiative for Energy Justice: https://iejusa.org/about

Equity Metrics and ACEEE's Scorecards

- ACEEE publishes three main Scorecards: City, State, Utility
- Benchmark and measure progress on clean energy and energy efficiency
- Collect data to support policy action







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ACEEE 2021 CITY CLEAN ENERGY SCORECARD

EQUITY METRIC DIMENSIONS

Climate and clean energy planning

- Community engagement
- Equitable decision-making
- Accountability to social equity

Workforce Development

- Inclusive municipal procurement and contracting
- Workforce development programs that focus on historically marginalized groups

Buildings Policies and Programs

- Policies and programs that support high energy performance in affordable housing
- Distributed energy systems that benefit historically marginalized communities
- Requirements to disclose rental energy use to prospective residents

Access to transit

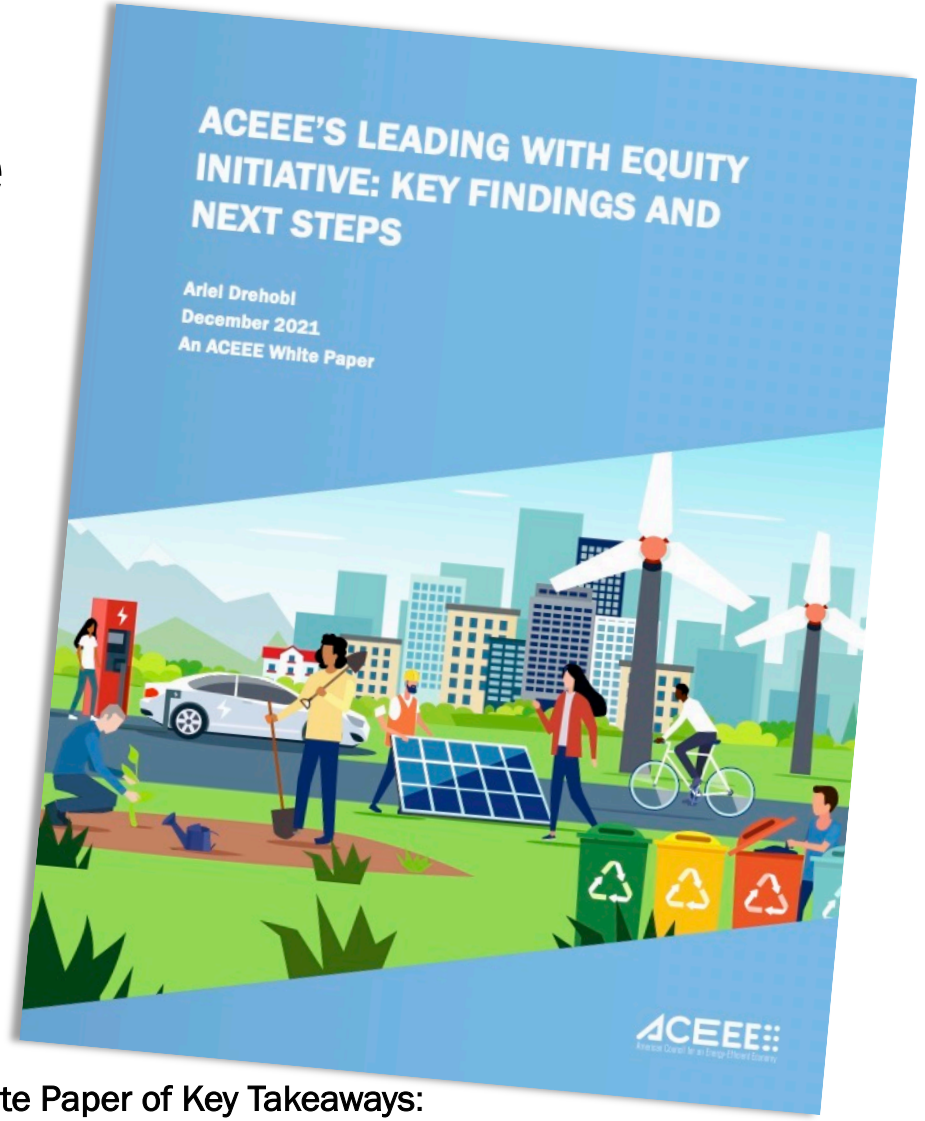
- Low-income access to high-quality transit
- Subsidized access to efficient transportation
- Affordable transit-oriented development
- Electric vehicle infrastructure deployment in historically marginalized communities

Utility Programs

- Comprehensive low-income and multifamily energy efficiency programs
- Local government supportive funding for weatherization
- Equity-focused partnerships between cities, utilities, and community-based organizations

ACEEE's Leading with Equity Initiative

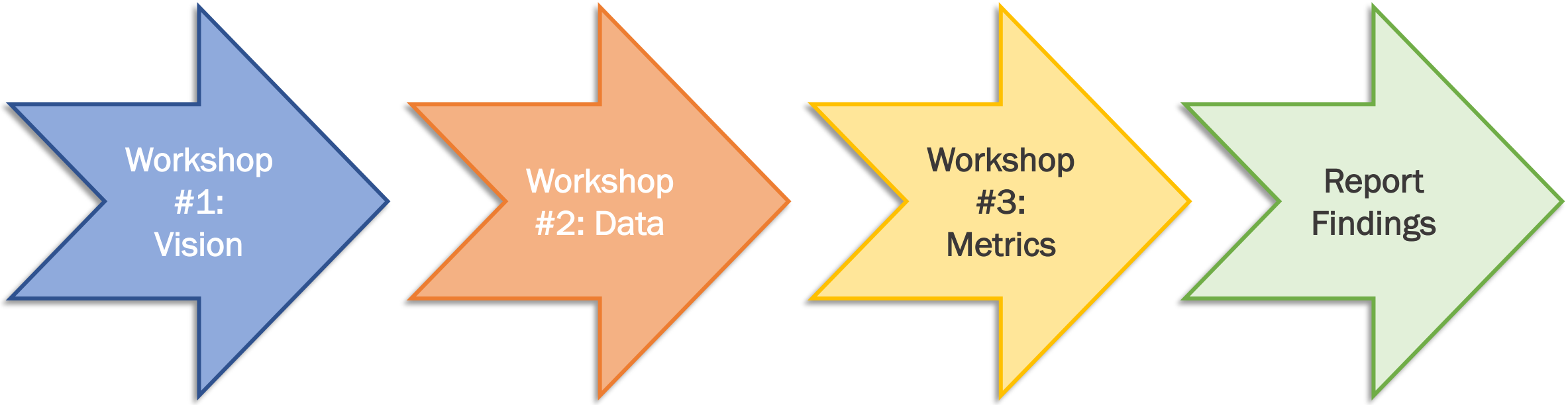
- Feedback that the leaders in Scorecards are not doing enough to advance equitable policies or programs
- Overall goal to ensure that all cities, states, and utilities leading in the Scorecards must be leading across equity-focused metrics
- Designed so that community-based organizations (CBOs) are helping to drive the development of a full landscape of improved equity-related metrics



- White Paper of Key Takeaways: aceee.org/white-paper/2021/12/aceees-leading-equity-initiative
- Sign up for Newsletter updates: survey.alchemer.com/s3/6168745/ACEEE-LWE-Interest-Form

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2021 Workshop Process



Note: We facilitated parallel workshops with community-based organization and advocate representatives and utility representatives.

Key Takeaways on Equity Data

- Need to change how we define and measure the success of clean energy programs, (i.e., not only energy savings but broader health & wealth outcomes)
- More robust demographic data (i.e., race and ethnicity), location data, and workforce data needed
- Regulators have a key role to play to help leverage data, such as by requiring and/or standardizing rules around data access, data sharing, and utility equity-related goals
- Need for more equitable representation in decision-making processes, both in stakeholder processes and in those who are making decisions (i.e., gov staff, public utility commissions, utility staff)
- CBOs and advocates identified a disconnect between the best practices for equitable policies and outcomes lauded by ACEEE's scorecards and other industry recognition and the experience of folks on the ground

Prioritized Equity-Related Metric Categories

that emerged from the Leading with Equity workshop series

Procedural Equity Metrics

- Defining impacted communities
- Equitable engagement processes
- Compensation for engagement
- Language access

Distributional Equity Metrics

- Energy affordability goals and progress
- Access to existing program resources
- Equitable distribution of all benefits
- Data on disconnections and energy access

Structural Equity Metrics

- Consumer protections
- Data access and transparency
- Community wealth building policy and outcomes
- Benchmarks and evaluations

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Lessons Learned and Next Steps

- Accountability and transparency are key to any effort to advance equity
- For ACEEE, that means being clear about:
  - What we plan to do
  - What we can or can't do
  - Our accountability process
  - Next steps
- In 2022 we are continuing this work by developing roadmaps for each Scorecard and gathering feedback as we implement recommendations



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Thank you for your attention!

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Image: http://environmentamerica.org/feature/ame/ten-ways-your-community-can-go-solar-0