Empowering Inclusivity in the Power Sector: A Focus on Equity

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Mission Statement

This resource has compiled research across the energy sector with hopes to provide utilities with concrete frameworks, examples, and insights that empower equity in utility operations.

Equity is an internal and external matter for utilities. Equity-related processes are rooted in actionable goals for utilities and the communities they serve. The use of energy equity indicators and metrics can assess meaningful progress and bridge the gap between outlined intentions and consequent impacts of utility operations.

Equity processes are iterative and must be supported by feedback cycles. Ensuring that energy equity initiatives are stakeholder and community driven will maximize the achievement of energy justice.
What is Energy Justice?
## Introduction to Energy Justice

**Energy justice** refers to 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 historically harmed by the energy system (“frontline communities”).

### Distributional Justice
refers to the distribution of benefits and burdens across populations – energy opportunity, benefits, and burden evenly distributed.

### Procedural Justice
answers who is included in the energy decision-making processes – ensures energy procedures are fair and inclusive.

<table>
<thead>
<tr>
<th><strong>Distributional Justice</strong></th>
<th><strong>Procedural Justice</strong></th>
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<thead>
<tr>
<th><strong>Recognition Justice</strong></th>
<th><strong>Restorative Justice</strong></th>
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<tr>
<td>understands historic and ongoing inequalities and prescribes efforts that seek to reconcile inequalities.</td>
<td>accounts for harms and obligations from current and historic wrongdoings.</td>
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Source: Initiative for Energy Justice, [The Energy Justice Workbook](https://energyjusticeinitiative.org)
### Energy Justice Outcomes

<table>
<thead>
<tr>
<th>Recognition</th>
<th>Distributive</th>
<th>Procedural</th>
<th>Restorative</th>
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<tr>
<td>Demographics</td>
<td>Access to innovative financing or</td>
<td>Creating working groups</td>
<td>Environmental effects</td>
</tr>
<tr>
<td>Program design</td>
<td>technologies</td>
<td>Education/outreach</td>
<td>Customer protection</td>
</tr>
<tr>
<td>PUC hire or consultant</td>
<td>Affordability</td>
<td>Enhanced party representation</td>
<td>Community resilience</td>
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<tr>
<td>Supplier diversity</td>
<td>Customer reliability</td>
<td>Enhanced engagement</td>
<td>Renewable energy siting</td>
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<tr>
<td>Workforce</td>
<td>Distribution investments</td>
<td></td>
<td>Imbalance for legacy customers</td>
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<td></td>
<td>Rate design</td>
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<td>Utility incentive</td>
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Examples of energy justice outcomes respective to utilities organized by the tenets of energy justice.

Source: [Hanus et.al](http://example.com) U.S. DOE Grid Modernization Laboratory Consortium
The State of Energy Justice
Energy Justice in the Power Sector

Approaches to addressing energy burden and injustice take on different forms given the diverse histories and energy needs across the United States. **While many initiatives tend to focus on distributive and procedural justice, there exists a gap in addressing recognition justice.**

A 2022 study conducted by the Department of Energy/energy laboratories stated:

- that almost half of states acted on energy equity
- almost every state in the sample included procedural or distributive tenets while fewer states focused on recognition or restorative branches.

Source: Hanus et al. U.S. DOE Grid Modernization Laboratory Consortium
Common approaches to promoting equity identified in a report from Smart Electric Power Alliance (SEPA) include:

- Residential bill affordability and energy bill payment assistance services
- Energy efficiency programs with steps to engage low-income customers
- Internal organization wide equity plans and strategies (prior to community/stakeholder engagement) and Diversity/Equity/Inclusion (DEI)
- External workforce development
- Customer and community input on long-term planning
Examples

Energy Equity Efforts and How They Fit With the Tenets of Energy Justice
Federal Example: Justice40

• The Justice 40 Initiative (Executive Order 14008) orders that 40% of the overall benefits of certain federal investment must flow to disadvantaged communities (categories of investment include clean energy and energy efficiency, clean transit, affordable and sustainable housing, training and workforce development, remediation and reduction of pollution, and the development of clean water infrastructure).

• In July of 2021, the Justice 40 policy was implemented.

• The Climate and Economic Justice Screening Tool helps agencies identify disadvantaged communities that are marginalized and overburdened by pollution and underinvestment, and thus helps ensure benefits reach communities burdened the most.

• Energy Justice Tenets: Focus on distributive justice, but also considers aspects of recognition and procedural justice.
State Example: Oregon Energy Trust Fund

• The Energy Trust of Oregon began operation in March 2002, tasked by the Oregon Public Utility Commission (OPUC) with investing in cost-effective energy efficiency. In 2021, the passing of HB3141 set a requirement that at least 25% of renewable energy revenues be used for activities, resources, and technologies that serve low-and moderate-income customers. The bill also requires the OPUC to set equity metrics for funds invested by Energy Trust.

• Energy Justice Tenets: The primary focus is distributive justice.
State Example: Illinois Climate and Equitable Jobs Act

- Illinois’ Climate and Equitable Jobs Act (CEJA) is a climate and energy bill signed into law in September of 2021.

- The act seeks to build a clean energy workforce and create employment opportunities in minority and women-owned businesses. CEJA employs Workforce Training Hubs, a Returning Residents Training Program which helps connect people returning from incarceration with employment, and support for small and medium-sized clean energy businesses.

- CEJA’s workforce development provisions involved contracting community-based organizations to administer and deliver services in addition to the Energy Workforce Advisory Council composed of industry, government, residents, and community organization partners that provides oversight and recommendations for programs.

- Energy Justice Tenets: Procedural justice in action while simultaneously including recognition and distributive justice.
Tribal Nation Example: Solar Bear

- **Solar Bear** (Gizis-o-makwa) is a full-service solar installation company founded by Robert Blake, a tribal citizen of the Red Lake Nation of Ojibwe people, who works to address energy poverty and work towards energy sovereignty in Native communities.

- Blake has emphasized the high density of energy poverty on native lands, in which solar development is seen as an opportunity to bolster employment rates, provide affordable access to electricity, and restore the harms from an extractive fossil-fuel system that has violated Indigenous rights and exploited ancestral lands.

- Energy Justice Tenets: Solar Bear is an active example of recognition, restorative, and distributive justice.
Community and Stakeholder Engagement
What is Equitable Community Engagement?

• Consistent, intentional, and genuine community engagement is core in ensuring the inclusion and implementation of equity in the power sector.

• While many utilities are beginning to address equity through affordability programs and demand-side management, ensuring the longevity of equity requires a comprehensive strategy. Using energy justice frameworks such as the tenets of energy justice can help develop a robust equity strategy. Some recommendations include:
  • organization-wide equity strategy
  • investment of resources in community-based organizations already doing engagement work
  • company equity working group
  • public-facing accountability reports

• In accordance with the tenet of recognition justice, it is crucial for utilities to address actions and histories that have and continue to contribute to energy poverty and burdens felt in disadvantaged communities.
It is imperative to distinguish between information sharing and community engagement in equity-related processes. The tool on the right, made by the Movement Strategy Center, is a spectrum of community engagement that ranks behaviors from ignoring and informing community to levels of leadership and ownership held by community. This spectrum can be used to create visions, articulate processes, and assess goals of community engagement that are aimed to be based in reciprocity and respect.
Takeaways and Resources
Takeaways and Future Needs

For utilities to progress in advancing equity, frameworks must ensure transparency and accountability.

Utilities incorporating transparency in frameworks includes:
- Providing specific benefits and specific communities involved
- The respective investments, projects, and initiatives linked to creating benefits identified above.
- Methods used to measure the success and impact of benefits, such as the use of energy equity metrics.
- Methods to track who receives aforementioned benefits.
- A process to report regularly on progress and revisions

Utilities incorporating accountability in frameworks includes:
- Public facing company-wide equity strategy
- Processes and methodologies that will be used to ensure tenets of energy justice are addressed.

Adapted from Guillermo Pereira’s energy equity testimonies 2023 (see, e.g. JNGO/EDF Exhibit 4.0 – Direct Testimony of Guillermo Pereira)
Energy Equity Resources

For more information on:
Community Engagement
• Emerald Cities Collaborative, Climate Equity & Community Engagement in Building Electrification

Equity in the Utility Context
• SEPA, Embedding Equity in Utility Transformation
• Berkeley Lab, Developing an Equity Framework for State Regulatory Decision-Making

Measuring and Advancing Energy Equity
• University of Michigan, Energy Equity Project Report 2022
Thank You

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