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Energy Equity

Clean Energy States Alliance

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About RAP

The Regulatory Assistance Project (RAP)® is an independent, non-partisan, non-governmental organization dedicated to accelerating the transition to a clean, reliable, and efficient energy future.

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Defining Energy Equity

Equity is just and fair inclusion, and **energy equity** is the fair distribution of the benefits and burdens of energy production and consumption. (Partnership for Southern Equity)

<u>Energy equity</u> recognizes that disadvantaged communities have been historically marginalized and overburdened by pollution, underinvestment in clean energy infrastructure, and lack of access to energy-efficient housing and transportation. An equitable energy system is one where the economic, health, and social benefits of participation extend to all levels of society, regardless of ability, race, or socioeconomic status. Achieving energy equity requires intentionally designing systems, technology, procedures, and policies that lead to the fair and just distribution of benefits in the energy system.(PNNL)

Examples of Equity in Clean Energy Policy

- Hawaii: Energy and Equity (Docket No. 2022-0250) "The Hawaii Public Utilities Commission opened Docket No. 2022-0250 to investigate how to better integrate equity and justice considerations across Commission proceedings and the Commission's work more broadly, including in its role overseeing and regulating the functions of public utilities."
- Michigan: 2020 Executive Order requires PUC to expand its environmental review of IRPs to evaluate whether utilities are meeting state decarbonization goals and consider environmental justice and health impacts
- Washington: 2019 Clean Energy Transformation Act requires IRPs to include an assessment of energy and non-energy benefits and reductions of burdens to vulnerable populations
- California: 2018 CPUC decision requires IRPs with LSEs to assess their impacts on disadvantaged communities

Policy Mechanisms to Support Energy Equity

Traditional

- EnergyEfficiencyDiscount rates
- LIHEAP
- Payment plans

Newer

- PerformanceBasedRegulation
- Digitalization / Al
- Alternative rate structures, e.g.
 TOU, income capped

Future

- Integrated Distribution Planning
- Common applications
- Shifting payment structures
- Wrap-around services

Four Dimensions of Energy Equity

How Can We Achieve an Equitable Energy System?

Recognition

Who is impacted and who benefits from the energy system especially with regards to historical disparities

Procedural

authentic
engagement and
representation with
decision makers and
energy service
providers

Distributive

Programs and policies
that result in fair
distributions of
benefits and burdens
across all segments of
a community

Restorative

Decisions consider impact of past harms and work to prevent and mitigate future harms and injustices

Source: The Energy Equity Project - https://energyequityproject.com/

Resources

- → Advancing Equity in Utility Regulation, LBNL
- ▼Energy Infrastructure: Sources of Inequities and Policy Solutions for Improving Community Health and Wellbeing, Synapse and RAP
- Urban Sustainability Directors Network Equity Foundations 1.0
- Methods, Tools and Resources: A Handbook for Quantifying Distributed Energy Resource Impacts for Benefit-Cost Analysis, NESP

