# DRAFT Equity Advisory Group Meeting Agenda

February 5, 2024

1 – 4 PM

Virtual Meeting Only – GoTo Meeting Platform

- Welcome

- Review Agenda

- Review of 11/29/23 and 1/11/24 Draft Minutes

- Commission Update on Clean Heat Standard Work

- Officers and Roles

- Funding Streams[1]

- Discussion on Concerns Raised by Stakeholders on Pacing of CHS Work and Procedural Equity

- Defining Equity[2]

- Benchmarking Systems to Evaluate Clean Heat Standard Elements[3]

- Heating-Related Programs Offered by Members' Organizations[4]

- Set a Standing Meeting Time

- Group Drafting of Written Materials

- Opportunity for Public Comment

- Adjourn

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[1] Relevant information can be found in ePUC; use the topic tag "9 Other" to find relevant materials in Case No. 23-2220-RULE. The transcript from the 12/19/2023 Funding Streams Workshop can be found under the "Transcript" drop down in the "All Other Documents" tab.

[2] Relevant documents include the American Council for an Energy-Efficient Economy's Leading with Equity Initiative website and their Leading with Equity Initiative: Key Findings and Next Steps whitepaper

[3] Relevant documents include Climate Action Plans from Portland OR, Austin TX, and MA CHS Framework.

[4] The PUC is interested in creating a list of existing programs that support the development, deployment, and/or subsidization of heating/weatherization. This is based on 30 V.S.A. § 8129(k), which tasks this group with "recommending any additional programs, incentives, or funding needed to support customers with low income and moderate-income and organizations that provide social services to Vermonters in affording heating fuel and other heating expenses." In order to identify and organize a response to this charge, we are asking everyone in this group to look at their existing programs in the thermal sector and answer these questions (to the best of your ability): What are the program titles that exist at your organization? What amounts of the rewards/rebates/incentives each program offers? What criteria are used to determine whether a person qualifies for each program and what are the cut off points for eligibility? Does the program have a limited duration? If so, what dates does it run? How is this program funded (e.g. federal, state, outside grant)? How well is this program utilized?

| | |
|---|---|
| **From:** | Emily Roscoe <eroscoe@veic.org> |
| **Sent:** | Friday, January 26, 2024 3:16 PM |
| **To:** | Gatti, Dominic |
| **Subject:** | EVT recommendations on equity related literature for 01 30 2024 EAG meeting |

You don't often get email from eroscoe@veic.org. Learn why this is important

**EXTERNAL SENDER: Do not open attachments or click on links unless you recognize and trust the sender.**

Good afternoon, Dominic,

In the last Clean Heat Standard EAG meeting, the group discussed defining equity and equity benchmarking. I am writing to share with you some equity related literature that Efficiency Vermont wanted to share ahead of the January 30th EAG meeting.

- Leading with Equity Initiative | ACEEE especially the ACEEE white paper Leading with Equity Initiative: Key Findings and Next Steps (Ariel Drehobl 2021)
  - This is a resource that captures multidimensional aspects of equity in energy and climate work that is relevant to the EAG's work in the Clean Heat Standard.
- To guide its own equity work, Efficiency Vermont has used the following definition from equity:
  - Leveraging the American Council for an Energy-Efficient Economy's (ACEEE) Energy Equity project as our guide, we are defining "Equity" as working to address the embedding of Diversity, Equity and Inclusionary considerations into our programs, policies, and investments, such that we can improve and expand determination of, access to, and utilization of impactful clean energy services and technologies for underserved groups while creating more just processes, outcomes, and systems. More information is available at: https://www.aceee.org/topic/energy-equity.
  - Dimensions of Equity:
    - Procedural: embeds inclusive, accessible, authentic engagement and representation in processes to develop or implement programs and policies.
    - Distributional equity: ensures that programs and policies result in fair distributions of benefits and burdens across all segments of a community, prioritizing the highest need.
    - Structural equity: institutionalizes accountability so that decisions are made with a recognition of the historical, cultural, and institutional dynamics and structures that have routinely advantaged privileged groups and resulted in chronic, cumulative disadvantage for subordinated groups.

Thank you,
Emily

**Emily Roscoe** (she/her)
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# ACEEE'S LEADING WITH EQUITY INITIATIVE: KEY FINDINGS AND NEXT STEPS

**Ariel Drehobl**
**December 2021**
**An ACEEE White Paper**

# Contents

# About ACEEE

The **American Council for an Energy-Efficient Economy** (ACEEE), a nonprofit research organization, develops policies to reduce energy waste and combat climate change. Its independent analysis advances investments, programs, and behaviors that use energy more effectively and help build an equitable clean energy future.

# About the Author

**Ariel Drehobl** is a manager on the local policy team where she leads work related to energy equity, energy affordability, and low-income energy efficiency programs. She provides direct policy and research assistance to stakeholders working to advance equitable clean energy policies and programs. Ariel earned a master of science in environmental science, policy, and management from a joint-degree program that awarded degrees from Central European University in Hungary, Lund University in Sweden, and the University of Manchester in the United Kingdom. She also holds a bachelor of arts in history and international studies from Northwestern University.

# Acknowledgments

## Suggested Citation

Drehobl, A. 2021. *ACEEE's Leading with Equity Initiative: Key Findings and Next Steps*. Washington, DC: American Council for an Energy Efficient Economy. aceee.org/white-paper/2021/12/aceees-leading-equity-initiative.

# Executive Summary

In February 2021 ACEEE kicked off our two-year Leading with Equity Initiative, with the goal of defining and driving toward equitable energy efficiency policy and programs at the state, local, and utility levels. To this end, initiative team members from ACEEE, Kinetic Communities Consulting, and Applied Economics Clinic engaged in a collaborative process through two cohorts—one of community-based organizations (CBOs) and advocates, and one of utilities and energy efficiency program implementers—to identify metrics that capture progress toward deployment of energy efficiency policies and programs that are inclusive and prioritize equity.[1] The initiative aimed to ensure CBOs and disinvested community interests are represented in and driving development of improved equity-centered metrics for ACEEE scorecards while also increasing our understanding of current utility, state, and city capacity to report on desired metrics, including barriers and leverage points.[2]

## PRIORITIZED METRICS FOR SCORECARDS

The Leading with Equity Initiative consisted of a series of three interactive workshops (six workshops in total) held with two separate stakeholder cohorts.[3] We held the workshop series with CBOs and advocates first, and then framed the workshops with utilities and program administrators around the priorities that emerged from the CBO workshops. During these workshops, we explored a shared vision for an equitable energy system, discussed barriers and leverage points to collecting equity-related data, and identified areas of agreement on how to prioritize equity-focused metrics in the ACEEE scorecards. We explored the metrics across three dimensions of equity.[4]

- **Procedural equity** embeds inclusive, accessible, authentic engagement and representation in processes to develop or implement programs and policies.

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[1] See Appendix A for list of workshop participants.

[2] ACEEE publishes state, city, and utility scorecards with the goal of benchmarking entities whose actions affect energy efficiency and clean energy investment (i.e., states, cities, and utilities) and of holding decision makers accountable to their commitments and actions. ACEEE's scorecards also collect data to support policy action and identify best practices, enabling the user to envision a roadmap for policy reforms.

[3] Community-based organizations (CBOs) are representative of a community or significant segments of a community and provide financial, educational, and/or other resources aimed at enhancing health, wealth, and overall community well-being.

[4] ACEEE adapted the dimensions of equity framework from the 2014 Urban Sustainability Directors Network report researched and written by Angela Park, *Equity in Sustainability: An Equity Scan of Local Government Sustainability Programs*.

- **Distributional equity** ensures that programs and policies result in fair distributions of benefits and burdens across all segments of a community, prioritizing the highest need.

- **Structural equity** institutionalizes accountability so that decisions are made with a recognition of the historical, cultural, and institutional dynamics and structures that have routinely advantaged privileged groups and resulted in chronic, cumulative disadvantage for subordinated groups.

Based on feedback from CBO workshop participants and additional research, ACEEE developed a list of prioritized metric categories across the dimensions of equity for inclusion in future scorecards. This report details the metric categories, potential questions, and potential metrics to score that emerged from workshop discussions and community feedback. Following are the prioritized metric categories across procedural, distributional, and structural dimensions.[5]

*Prioritized procedural equity metric categories are as follows:*

- **Program targeting.** The state, city, or utility has created and uses a definition of historically disinvested and/or underserved communities to target a percentage (e.g., 40%) of programs and resources to these communities.

- **Engagement processes.** The decision maker has processes in place to ensure equitable access and participation of people from historically disinvested communities in its decision-making process.

- **Compensation for engagement.** The decision maker compensates community members for participation in stakeholder engagement processes.

- **Language access.** Community engagement materials are accessible in the languages spoken across the communities served.

*Prioritized distributional equity metric categories are as follows:*

- **Energy affordability goals.** The decision maker has set a goal to achieve an energy affordability threshold (i.e., to lower high energy burdens to an agreed upon level, e.g., 6%) and progress toward this goal is tracked with publicly accessible data.

- **Access to existing program resources.** The decision maker collects data to understand which communities have historically lacked and currently lack access to the benefits of clean energy investments.

- **Equitable distribution of benefits.** The decision maker uses data to make commitments and create accountability structures that will ensure that historically

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[5] We combined metrics related to transgenerational equity into the structural, distributional, and procedural categories for this prioritization exercise.

disinvested communities receive equitable benefits through policy commitments and commensurate investments.

- **Disconnections and access to energy.** The decision maker collects demographic data on which community members experience disconnection or energy service shutoffs, makes these data publicly available while also ensuring customer privacy, and takes steps to ensure equitable energy access and prevent disproportionate impacts on disinvested communities.

*Prioritized structural equity metric categories are as follows:*

- **Consumer protections.** These policies protect customers from loss of energy services, exploitative energy services, and exclusion from clean energy sector benefits.

- **Data access and transparency.** These policies require reporting on demographic data, with privacy protections, for the purpose of measuring access to, participation in, and benefits from clean energy programs in ways that are transparent and easily accessible.

- **Community wealth building.** These policies and programs directly build community wealth and include renewable energy resources owned by community members, clean energy investments that build homeowner wealth, and upgrades to community-owned affordable housing.

- **Benchmarks and evaluations.** Policies and programs include initial benchmarks and are consistently evaluated on progress toward achieving stated equity-related goals. Policies and programs are on track to achieving those goals, which should connect distributional equity impacts to accountability metrics to ensure that broader equity-related goals are achieved.

## TRANSPARENCY, ACCOUNTABILITY, AND NEXT STEPS

We successfully achieved our first-year objectives for the Leading with Equity Initiative while continually working to learn and improve through the process. In addition to identifying priority metrics for the scorecards, we received feedback on how to discuss and define equity, data collection, and support needs, as well as on holding interactive virtual workshops.

ACEEE is committed to ensuring that the priorities of CBOs are integrated into our upcoming scorecards in the second year of the project through a transparent and collaborative process. We will take concrete steps to incorporate equity metrics that align with the priorities of CBOs and disinvested communities into our scorecards. We are also committed to authentic relationship building with CBOs and historically disinvested communities to cocreate a feedback mechanism to support the continual improvement of our metrics and practices over time.

As a next step, the lead authors of the state, city, and utility scorecards will develop roadmap documents that highlight the current state and equity metric gaps in each scorecard, as well

as the priority metrics it should add or change to reflect the Leading with Equity feedback. The lead authors will also develop a timeline and process for designing and incorporating new metrics that include opportunities for stakeholder engagement, outreach, and feedback.

# Background

Low-income communities and communities of color stand to benefit from clean energy investments, healthier housing, and local job creation; however, they often are unable to take full advantage of clean energy opportunities.[6] For example, low-income households have less access to upfront capital to make clean energy investments, frequently rent their homes and therefore have limited control over their energy systems, and are often excluded from policy development and planning processes. At the same time, low-income and disinvested communities suffer the most from the costs and externalities of an unjust energy system.

ACEEE's research has found that low-income households living in both single and multifamily buildings are consistently overburdened not only by high energy bills but also by the environmental and health impacts of energy generation and consumption. They are also underserved by residential energy efficiency and clean energy programs, as well as by recent state and local climate/energy planning. Utilities and local governments are increasingly developing climate and clean energy strategies in response to state directives or local climate action planning. However, these strategies are often developed without an implementation plan or specific guidance to achieve climate and clean energy goals in a way that will have the greatest impact on the health, wealth, climate resilience, and social welfare of historically disinvested communities.[7]

For more than 15 years, ACEEE has been releasing numerous scorecards and other progress reports to benchmark and drive clean energy action among states, cities, and utilities. Through these efforts, we aim to identify best practices and set a high bar for clean energy leaders. Even so, we can do better to ensure that equity concerns are front and center. To ensure that everyone has equitable access to and benefits from clean energy investments, ACEEE—with support from the Barr Foundation, the Kresge Foundation, and The JPB Foundation, and in collaboration with Kinetic Communities Consulting and Applied Economics Clinic—launched our Leading with Equity Initiative, which aims to ensure that all our scorecard leaders—whether they be states, cities, or utilities—are also leading on equity.

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[6] We use the term *clean energy* to describe projects, solutions, initiatives, evaluations, investments, programs, and/or policies that relate to energy efficiency and renewable energy.

[7] *Disinvested communities* are those most impacted by community decision making and whose life outcomes are disproportionately affected by social structures. These groups might include people of color, low-income residents, youth, the elderly, recently arrived immigrants, people with limited English proficiency, people with disabilities, and the homeless. In some contexts, disinvested communities are referred to as *disadvantaged* or *underserved* communities.

While ACEEE's state, city, and utility scorecards have been effective in driving action around energy efficiency at all levels, there is a gap between scorecard performance and progress on equity in leading states and cities. As the scorecards continue to set a high bar and policy roadmap for energy efficiency planning and implementation, we need to ensure that the assessments are centered more around equity and informed by the needs of historically disinvested communities, recognizing diversity across the country and within the environmental justice community.

**If we do not prioritize equity metrics, we risk rewarding states, cities, and utilities that may be advancing clean energy policies at the expense of the communities they serve.** We cannot achieve a successful clean energy transition without centering equity. By elevating equity to the forefront of ACEEE's publications and scorecards, we aim to identify best practices, assess outcomes, and provide examples for decision makers to best develop policy and programs to advance equitable outcomes for their communities.

## PROJECT OVERVIEW

In February 2021 ACEEE kicked off the two-year Leading with Equity Initiative, with the goal of defining and accelerating equitable energy efficiency policy and programs at the state, local, and utility levels. To this end, we created and led a collaborative process with community-based organizations (CBOs), advocates, utilities, and energy efficiency program implementers to identify metrics that capture progress toward deployment of energy efficiency policies and programs that are inclusive and put equity front and center. We also researched the current state of equity data in the utility sector, how state and local governments and utilities are engaging in equitable stakeholder engagement practices, and the impacts of equity-driven policies.

Our project has three main goals:

- Ensure disinvested communities are represented in and driving development of improved equity-centered metrics for ACEEE's scorecards.
- Better understand current state, city, and utility capacity to report on desired metrics, including barriers and leverage points.
- Generate proposed changes and roadmaps for each scorecard, setting the bar in a way that represents real performance on the metrics that matter to communities.

In addition to updating metrics in our scorecards, we are also committed to working with the broader community of energy equity metrics practitioners to ensure that any CBO priorities that are not included in ACEEE scorecards at the end of this process are addressed through

the broader energy justice community's work.[8] To this end, ACEEE is partnering with the University of Michigan's Energy Equity Project to create a research collaborative for the energy equity metrics community to better align projects, goals, and outcomes to the needs of CBOs and historically disinvested communities.[9]

## EQUITY FRAMEWORK AND DEFINITIONS

Recently, the federal government and many states and cities have been taking steps to address the disproportionate impact that the energy sector has had on disinvested communities as well as the lack of benefits these communities have received from clean energy investments. The Justice40 Initiative is a federal effort across the whole of government to deliver at least 40% of the overall benefits from federal climate and clean energy investments to disadvantaged, or disinvested, communities.[10] This federal commitment emphasizes the need to ensure that communities that have been historically excluded from accessing the benefits from clean energy investments are prioritized as we move forward with innovative and ambitious climate solutions. ACEEE wants to ensure that our scorecards reflect this commitment in the metrics we use to score states, cities, and utilities.

ACEEE uses the dimensions of equity framework, which defines energy equity across procedural, structural, distributional, and transgenerational dimensions (see figure 1).[11] This framework addresses how decisions are made, how benefits and burdens are distributed,

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[8] Community-based organizations (CBOs) are representative of a community or significant segments of a community and provide financial, educational, and/or other resources aimed at enhancing health, wealth, and overall community well-being.

[9] The Energy Equity Project aims to create a framework for measuring equity across energy efficiency and clean energy programs among utilities, state regulatory agencies, and other practitioners. This effort complements ACEEE's scorecard-focused effort to build a framework for decision makers to measure the equity outcomes of their policies, programs, and decisions. To learn more, see energyequityproject.com.

[10] Climate and clean energy investments included in the Justice40 Initiative include clean energy and energy efficiency, clean transit, affordable and sustainable housing, training and workforce development, the remediation and reduction of legacy pollution, and the development of critical clean water infrastructure. To learn more, see www.energy.gov/promoting-energy-justice.

[11] ACEEE adapted the four dimensions of equity framework from the 2014 Urban Sustainability Directors Network report researched and written by Angela Park, *Equity in Sustainability: An Equity Scan of Local Government Sustainability Programs.*

how decision makers address current barriers and structures, and how these issues may impact future generations.[12]
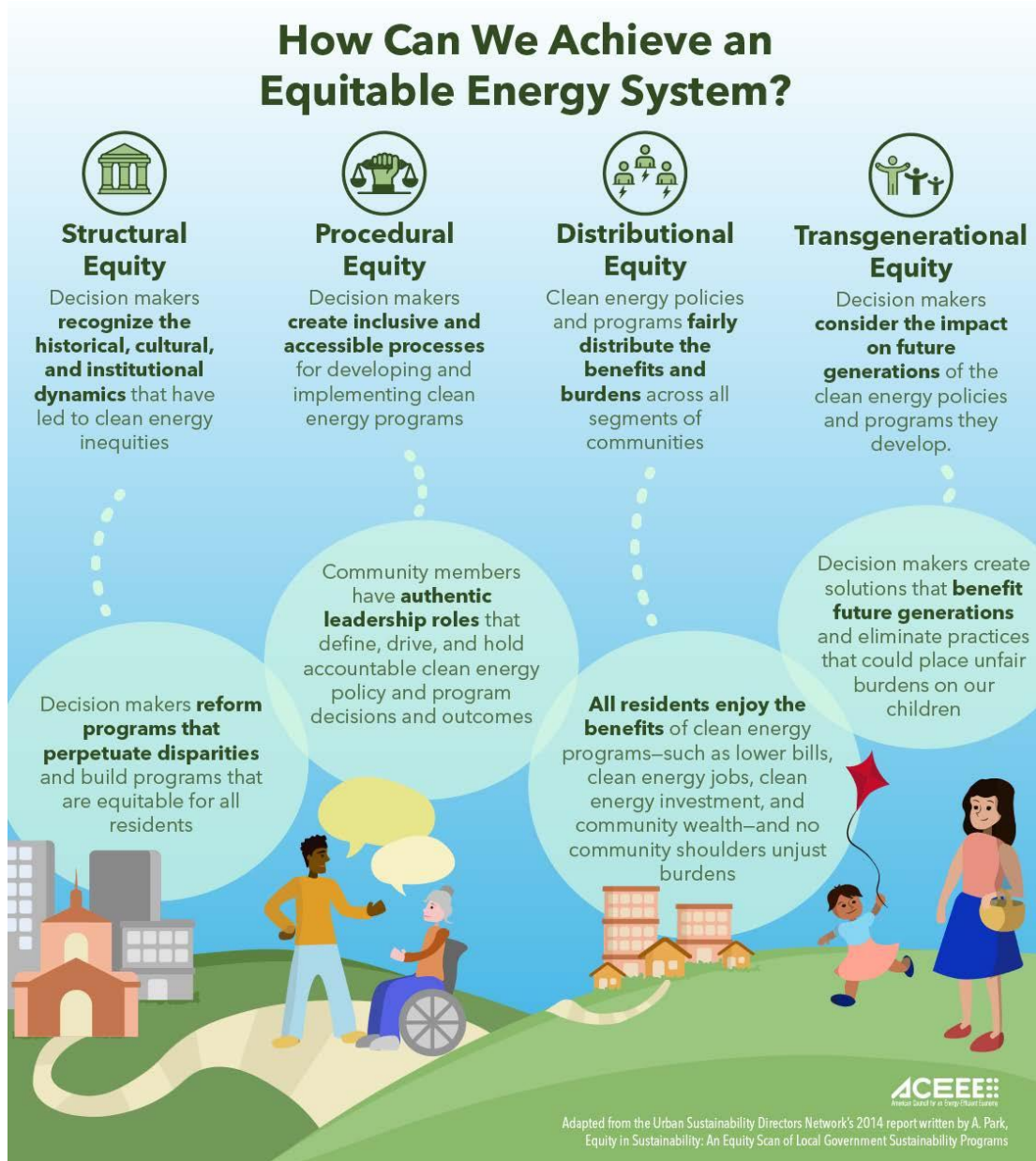


Figure 1. Four dimensions of energy equity

[12] We combine transgenerational equity-related metrics with the other three categories for the Leading with Equity Initiative, exploring how structures, impacts, and processes can impact future generations.

We used the dimensions of equity framework to structure our workshop conversations and our metric recommendations for the scorecards. Ultimately, our goal is to integrate new category-spanning metrics into our scorecards, as all equity dimensions must be addressed to move toward a more equitable energy system.

## ACEEE'S STATE, CITY, AND UTILITY SCORECARDS

The purpose of ACEEE's scorecard metrics is to benchmark entities whose actions affect energy efficiency and clean energy investment and to hold decision makers (i.e., states, cities, and utilities) accountable to their commitments and actions. ACEEE's scorecards also collect data to support policy action and identify best practices, enabling users to envision a roadmap for policy reforms. ACEEE has incorporated metrics that assess the

> **ACEEE Scorecard Data Transparency**
> ACEEE publishes all data collected for our state and city scorecards online in our State and Local Policy Database and in a data sharing dashboard for the utility scorecard.

equity of energy efficiency investments in our state, city, and utility scorecards. Each scorecard is at a different stage of incorporating equity-focused metrics and outcomes into its methodology. Table 1 includes a brief overview of each scorecard and their equity metrics to date.

Table 1. Overview of ACEEE's state, city, and utility scorecards

| | State Scorecard | City Scorecard | Utility Scorecard |
|---|---|---|---|
| Year first published | 2006 | 2013 | 2017 |
| Number of editions (as of Dec 2021) | 14 editions (2006, 2009–2020) | 6 editions (2013, 2015, 2017, 2019–2021) | 2 editions (2017, 2020) |
| Entities included | 50 States and District of Columbia | 100 largest metropolitan statistical areas | 52 largest electric utilities |
| Chapters (2020 editions) | • Utility and Public Benefits Programs and Policies<br>• Transportation Policies<br>• Building Energy Efficiency Policies<br>• State Government-Led Initiatives<br>• Appliance and Equipment Efficiency Standards | • Local Government Operations<br>• Communitywide Initiatives<br>• Buildings Policies<br>• Energy and Water Utilities<br>• Transportation Policies | • Energy Efficiency Program Performance<br>• Energy Efficiency Programs<br>• Enabling Mechanisms |
| Number of total metrics (2020 editions) | 68 metrics | 32 metrics | 20 metrics |
| Equity-focused points (2020 editions) | 4% of points | 19% of points | 6% of points |

|  | State Scorecard | City Scorecard | Utility Scorecard |
|---|---|---|---|
| Equity-focused point target for next editions | 20% of points | 30% of points | 20% of points |
| Downloads (2020 editions, as of Nov 2021) | 1,600 | 1,500 | 2,200 |

## CITY CLEAN ENERGY SCORECARD

First published in 2013, *The City Clean Energy Scorecard* assesses 100 major U.S. cities on policies related to local government operations, communitywide initiatives, buildings policies, energy and water utilities, and transportation policies.[13]

Of all our scorecards, the *City Scorecard* is farthest along in terms of incorporating equity-focused metrics. In 2019 ACEEE overhauled the report's methodology to integrate more considerations of equity.[14] We did this through an extensive methodology review process with stakeholders and cities. We also convened a working group of CBOs to advise on the development and scoring of new equity-focused metrics, and the working group continued to support improvements for the 2020 and 2021 scorecards.

As of 2021, approximately 19% of the possible points in the *City Scorecard* are from equity-focused metrics, including equitable community engagement in climate planning, workforce development programs, comprehensive low-income and multifamily programs, incentives for low-income programs, and low-income access to transportation. Figure 2 provides an overview of the 2021 equity metrics dimensions in the *City Scorecard*.

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[13] The 2013, 2015, and 2017 editions were called the *City Energy Efficiency Scorecard.* In 2019, we added new metrics into the scorecard, including equity-focused metrics and renewable energy metrics. To represent this change from energy efficiency to a broader clean energy focus, we renamed the 2019, 2020, and 2021 scorecards the *City Clean Energy Scorecard.*

[14] To learn more about the 2019 changes to the *City Clean Energy Scorecard,* see our fact sheet: www.aceee.org/fact-sheet/2020/06/fostering-equity-local-clean-energy-policy-lessons-2019-city-clean-energy.
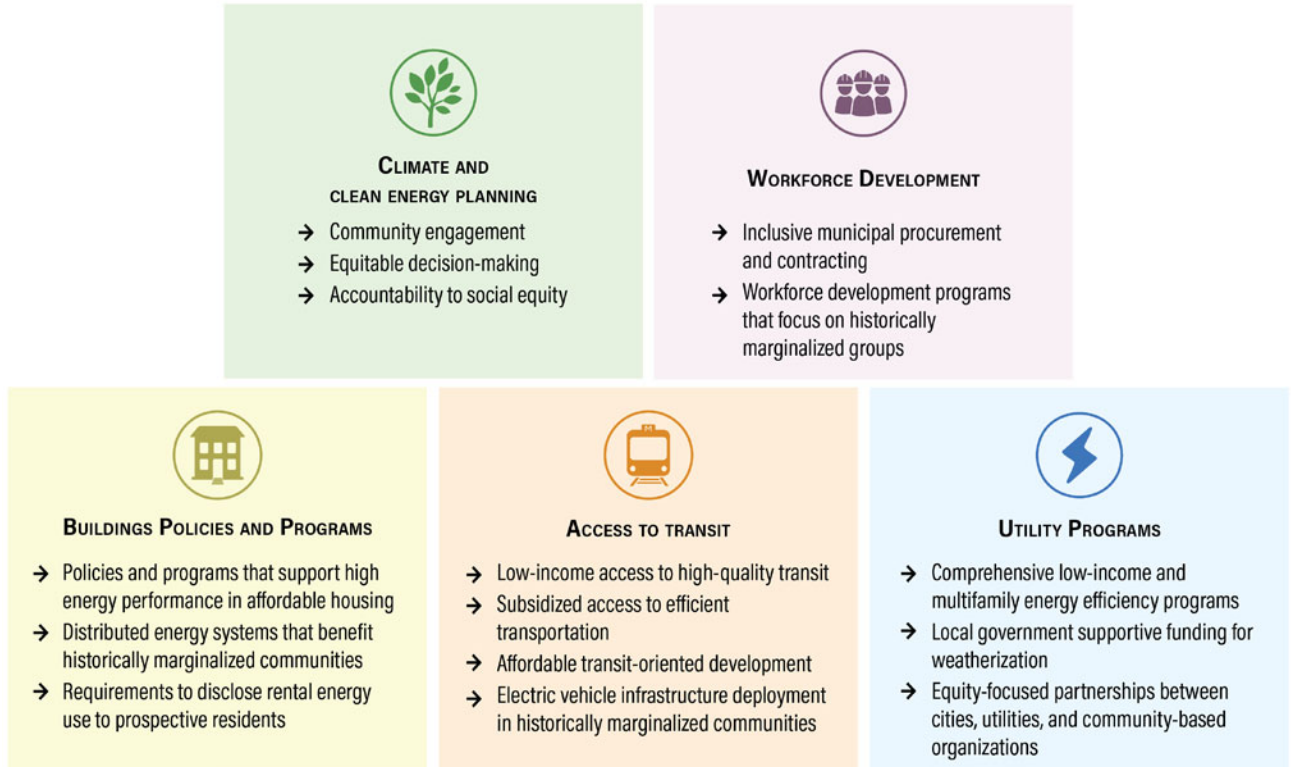
Figure 2. Equity metric dimensions in ACEEE's 2021 City Clean Energy Scorecard

## STATE ENERGY EFFICIENCY SCORECARD

Published annually or biannually since 2006, *The State Energy Efficiency Scorecard* is our longest continually published scorecard. This scorecard assesses state utility and public benefits programs and policies, transportation policies, building energy efficiency policies, state government-led initiatives, and appliance and equipment efficiency standards.

In 2020, 6% of metrics in the *State Scorecard* were equity focused. These include metrics related to state-level utility policies to support low-income program spending and savings requirements and special cost-effectiveness rules (e.g., exempting low-income programs from traditional cost-effectiveness tests), as well as transportation policies focused on incentives for low-income access to transit-oriented neighborhoods. The 2021 *State Scorecard* data request included new questions aimed at measuring equity metrics related to community engagement and accountability in climate and energy planning and decision making, inclusive workforce development, access to public transit and electric vehicles (EVs), and specific goals and metrics used to track climate and energy initiative impacts on disinvested communities.

## UTILITY ENERGY EFFICIENCY SCORECARD

Published in 2017 and 2020, the ACEEE *Utility Energy Efficiency Scorecard* is the newest of ACEEE's three main domestic scorecards. This scorecard assesses the 52 largest U.S. electric utilities on energy efficiency program performance, energy efficiency programs, and

enabling mechanisms. In 2020, 6% of the metrics were equity focused, including metrics on low-income savings achieved per residential customer, spending on low-income energy efficiency programs (as a percentage of total spending), and the comprehensiveness of program offerings, such as programs that provide deep energy-saving measures for low-income households.

# Process and Methodology

The Leading with Equity Initiative consisted of three interactive workshops with the stakeholder cohorts in April, June, and September 2021 to inform the development of equity-related metrics for ACEEE's state, city, and utility scorecards. We also published a monthly newsletter to inform the broader clean energy community about both the initiative's outcomes and progress, and opportunities to provide input through surveys on their perspectives, ideas, and metric prioritizations. To support the engagement efforts, we explored additional research questions to better understand data needs, current practices, and potential equity-related policies and outcomes.

## WORKSHOP OVERVIEW

We held six three-hour workshops in total, with each cohort (i.e., CBOs/advocates and utilities/program administrators) attending three workshops. The three workshops focused on (1) envisioning a more equitable clean energy future, (2) data barriers and leverage points, and (3) metrics prioritization for scorecards. We conducted preworkshop surveys before each workshop to engage participants and gather information to inform the workshop design and activities. After each workshop, we shared a summary of key takeaways with participants to inform the next workshop's development. We held each of the workshops with CBOs and advocates first, then used the priorities that emerged to frame each of the parallel workshops with utilities and program administrators.

The following graphic shows the timeline for the three workshops:

Workshop #1:
Vision

April 2021

Workshop #2:
Data

June 2021

Workshop #3:
Metrics

September 2021

## PARTICIPANTS

We convened two parallel stakeholder engagement groups for our workshops: one of CBOs and advocates, and another of utilities and energy efficiency program implementers.[15] We invited approximately 20 participants/organizations for each stakeholder group. We chose to engage with two separate cohorts so that we could first meet with CBOs and advocates to center their needs and priorities in our subsequent conversations with utilities and program managers. We were also able to explore the barriers that each group faces in collecting, reporting on, and holding themselves accountable to equity data. **Appendix A1 includes a list of workshop participants**.[16]

We invited CBOs and advocates based on three factors: geography, intentional racial and socio-economic diversity, and group expertise. We also sought to invite organizations focused on various topics related to energy efficiency work, such as health, transportation, affordable housing, environmental protection, and workforce development.

We invited utilities and statewide program implementers based on geographic diversity, utility ownership type (i.e., investor-owned utilities, municipal utilities, cooperative utilities, and third-party implementers), and fuel type (i.e., electric, gas, and dual fuel).

## WORKSHOP OBJECTIVES

We designed the three workshops to follow the diverging, emerging, converging process and support creative problem-solving.[17] The first workshop focused on *diverging*, and we explored broad visions for an equitable energy future. The second workshop focused on *emerging*. In it, we dug into themes from the first workshop to identify patterns and to leverage points and differing perspectives on collecting equity-related data and holding decision makers accountable to equity commitments. The final workshop focused on *converging* and on prioritizing the most promising metrics for inclusion in the scorecards. Table 2 shows each workshop's objectives.

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[15] We provided stipends of $1,500 to each CBO to compensate for their time and expertise across their workshop participation and for providing additional feedback throughout the process.

[16] Table A1 in Appendix A includes only participants who provided their consent for us to list them in this report.

[17] To learn more about divergent and convergent thinking, see professional.dce.harvard.edu/blog/divergent-vs-convergent-thinking-how-to-strike-a-balance.

Table 2. Workshop objectives

| | Workshop #1 objectives: Envisioning an equitable system | Workshop #2 objectives: Data barriers and leverage points | Workshop #3 objectives: Metrics prioritization |
|---|---|---|---|
| CBO and advocate workshop | • Provide an overview of the project scope, purpose, and vision.<br>• Share participant visions for a more equitable energy system.<br>• Explore procedural, distributional, and structural dimensions of equity.<br>• Surface ideas for what we can measure to hold policymakers and utilities accountable to the vision we create. | • Share insights and major themes around equity metrics from the first workshop.<br>• Explore how participants will use different equity-focused metrics to advance their advocacy and policy work.<br>• Identify barriers to and leverage points for equity data collection.<br>• Produce a list of metrics/data to incorporate into scorecards for prioritization in the final workshop. | • Identify ways that ACEEE's scorecards and other partner efforts can collaborate to advance our visions for an equitable energy system.<br>• Prioritize and elicit agreement and disagreement regarding metrics for inclusion in ACEEE scorecards.<br>• Discuss how ACEEE can be held accountable to this process. |
| Utility and implementer workshop | • Provide an overview of the project scope, purpose, and vision.<br>• Explore procedural, distributional, and structural equity dimensions, and how that relates to utilities' definitions of equity for their portfolios.<br>• Share and reflect on how CBO/advocate visions for a more equitable energy system can inform how utilities measure success.<br>• Surface ideas for what utilities would like to be able to measure to hold themselves accountable to equity outcomes, and what their customers and stakeholders are asking them to measure. | • Share insights and major themes around equity metrics from the first workshop.<br>• Explore how participants will use different equity-focused metrics to advance their organization's goals.<br>• Identify barriers to and leverage points that can enable equity data collection.<br>• Produce a list of metrics/data to incorporate into each scorecard for prioritization in the third workshop. | • Identify ways that ACEEE scorecards and other partner efforts can collaborate to advance our visions for an equitable energy system.<br>• Prioritize and elicit agreement and disagreement regarding metrics for inclusion in ACEEE scorecards.<br>• Discuss how ACEEE can be held accountable to this process. |

## ADDITIONAL RESEARCH QUESTIONS

In addition to holding workshops to narrow down next steps on equity metrics, we also explored the following complementary research questions:

• To what extent are utilities tracking geographic participation, diversity of their workforce, and social demographics of customers and program participants?

- How are states and utilities conducting community engagement and stakeholder processes around state and utility planning?
- What measures can cities and states take to facilitate equitable energy efficiency evaluation and reporting on energy efficiency efforts?

The next section summarizes the key findings from these research questions.

# Research Findings

This section includes key findings from research and additional interviews conducted to answer our research questions on utilities' efforts to track demographic and geographic data, state and utility community engagement practices, and city and state efforts to facilitate equitable energy efficiency evaluation and reporting. We have more detailed findings from these research questions in supplemental memos, which include additional case studies and examples across the different engagement and data access strategies.

## STATE, CITY, AND UTILITY COMMUNITY ENGAGEMENT STRATEGIES

We identified the need for better strategies and accountability measures for procedural equity. We conducted a literature review of available resources, surveyed our utility working groups for feedback on utility engagement processes, reviewed our scorecard data for city and state engagement processes, and interviewed three organizations for more information about intervenor compensation, community codesign processes, and community feedback collection. The goal of this research was to determine current community engagement for states, cities, and utilities. We identified the following five strategies:

- **Short-term advisory groups.** These groups steer the development of a specific plan or program and constitute the most common engagement model used. An example of this is the Equity Advisory Group pilot project convened by the DC Department of Energy and Environment (DOEE) and the Georgetown Climate Center.[18]
- **Long-term advisory or working groups.** These groups bring together program administrators and stakeholders to discuss common issues or provide feedback. Some states and utilities, such as the Hawaii State Energy Office and Puget Sound Energy, have working groups that include representatives from the local community.
- **Decision-making bodies.** Some cities establish bodies of residents who are empowered to make decisions around climate and energy policy. Examples of this

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[18] For more information about the DOEE Equity Advisory Group, see pages 12–13 of the following report: www.georgetownclimate.org/files/report/community-engagement-guide_10.05.18_web.pdf.

include Providence's Racial and Environmental Justice Committee and Minneapolis's Green Zones Initiative.[19]

- **Intervenor compensation.** Nine states have established some version of intervenor compensation, i.e., offering financial compensation for advocates to facilitate their participation as intervenors in state-level energy proceedings. Oregon's legislation that enables intervenor compensation explicitly includes environmental justice considerations.[20]

- **Soliciting public feedback.** Most governments and utilities have established mechanisms to solicit or allow for public feedback on activities. However, these feedback processes are often not transparent about how feedback will be used, and they often lack accountability measures.

The following are promising practices that support equitable community engagement. On their own, these practices are necessary but not sufficient to address inequities; combining them can achieve the most inclusive outcomes.

- **Structuring processes to respond to feedback.** Design processes with time and staff capacity, including sufficient budgeting and resources, to respond to the feedback received by participants.

- **Transparency and accountability.** Decision makers should clearly state processes, constraints, or decisions already made at the beginning of engagement processes, as well as how feedback will be used. For example, Detroit's Climate Equity Advisory Council uses a framework called *Hart's Ladder* to determine if processes are informing, asking for input, advising on a decision, sharing decision making, cocreating something new, or delegating creation.[21]

- **CBO and community partnerships.** Establish trusted partnerships that are not transactional (i.e., decision makers taking from community members but providing no direct benefits in return) to encourage more participation in engagement and better feedback.

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[19] For more information about Providence's Racial and Environmental Justice Committee, see www.rejc401.com. For more information about Minneapolis's Green Zones Initiative, see www2.minneapolismn.gov/government/departments/coordinator/sustainability/policies/green-zones-initiative.

[20] For more information, see Slocum, T. 2021. *FERC Office of Public Participation: A Transformative Opportunity for Public Interest Advocacy: Presentation to WE ACT For Environmental Justice.* Public Citizen. mkus3lurbh3lbztg254fzode-wpengine.netdna-ssl.com/wp-content/uploads/TysonWEACT.pdf.

[21] To learn more about Hart's Ladder of Participation, see organizingengagement.org/models/ladder-of-childrens-participation.

- **Staff training.** Decision-maker staff members who are managing engagement processes can participate in trainings to identify and begin to address systemic racism within decision-making organizations and practices (i.e., stakeholder engagement processes) to prevent harm to communities.

- **Access.** Ensure that community members have access to engagement platforms by reducing barriers (e.g., language access and compensation).

- **Benchmarking and tracking progress.** Decision makers need to continually evaluate their approaches and make improvements. They can do this by collecting demographic data on participants and qualitative feedback on the process.

Through improved metrics in our scorecards, we will begin to collect data and score states, cities, and utilities on their engagement strategies, emphasizing these practices to ensure that equity is centered in community engagement efforts.

## UTILITY EQUITY DATA: COLLECTION AND TRANSPARENCY

We analyzed data collected from several sources: our 2020 *City Scorecard* data request to utilities, a survey to our utility workshop participants, and additional research exploring which types of equity-related data utilities most often collect. We found the following:

- **Most utilities** collect data related to customer addresses; household energy usage; bill payment status, including arrearages; service quality, including frequency and duration of outages and interruptions; and participation in income-qualified programs.

- **Some utilities** combine the above data with census-level income data to deliver targeted demand-side strategies.

- **Few utilities** track metrics related to household race, spoken language, tenure status, energy burdens, energy-related health impacts, and workforce diversity.

- **Very few utilities** track metrics around wealth building in disinvested communities, diversity of leadership within the utility, and representation of disinvested groups in decision-making processes.

In cases where utilities do collect some of the above data, those data are not always transparent and made available to the public or to relevant stakeholders, such as multifamily building owners. A small subset of utilities uses customer demographic data in combination with geographic data to monitor service distribution and identify high-need areas. Utilities

often rely on regional data providers where available, such as CalEnviroScreen in California and Open-NY in New York.[22]

Some utilities and/or program implementers are centering equity through concerted efforts. For example, Energy Trust of Oregon's 2018 Diversity, Equity, and Inclusion Operations Plan lays out 10 key goals and outcomes to advance DEI, including goals to track demographic data on program participation, workforce development, and community engagement.[23] The Sacramento Municipal Utility Department (SMUD) Sustainable Communities Initiative involves a data-driven analysis incorporating data on racial and geographic inclusion, workforce growth, and economic prosperity.[24] In addition, the Massachusetts Program Administrators' 2022–2024 Energy Efficiency Plan includes new equity metrics such as tracking program participation and investment across environmental justice populations, as well as workforce development and community partnerships.[25]

Through improved metrics in our scorecards, we will begin to score utilities and state public utility commissions on their efforts to collect and/or require the collection of equity-focused data for benchmarking and tracking purposes, with an emphasis on making data transparent and accessible.

## CITY AND STATE MEASURES FOR EQUITABLE EVALUATION AND REPORTING

Applied Economics Clinic (AEC)—a Massachusetts-based nonprofit consulting group working at the intersections of energy, environment, consumer protection, and equity— supported this project through research on how cities and states can facilitate equitable energy efficiency evaluation and reporting of energy efficiency efforts. To identify recommendations, AEC reviewed the low-income energy efficiency efforts of ACEEE's top-scoring cities and states in their 2020 city and state scorecards. It found that most of ACEEE's top 10 cities and states offer low-income energy efficiency programs, yet most do not provide detailed and publicly available data on program outcomes.

To enhance the ability to evaluate programs for equity-related impacts, AEC recommends three main improvements:

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[22] To learn more about the CalEnviroScreen tool, see oehha.ca.gov/calenviroscreen. To learn more about the New York Open-NY platform, see data.ny.gov.

[23] To learn more about Energy Trust of Oregon's Diversity, Equity, and Inclusion Operations Plan, see www.energytrust.org/about/explore-energy-trust/diversity-equity-and-inclusion.

[24] To learn more about SMUD's Sustainable Communities Initiative, see www.smud.org/en/Corporate/Landing/Sustainable-Communities.

[25] Learn more about the Massachusetts's 2022–2024 plan at www.mass.gov/info-details/eeac-energy-efficiency-three-year-planning.

- **Mandate disaggregated efficiency program performance reporting** to reveal the distribution of costs and benefits more robustly within and across program communities.

- **Identify, target, and track vulnerable populations** to help ensure that energy efficiency benefits reach the households that need them most.

- **Integrate energy efficiency, climate-focused, and equity-focused planning and reporting** to ensure that climate and equity progress are complimentary, that representation is diverse, that community engagement is robust, and that transparency and accountability are facilitated.

These improvements to efficiency reporting would not only improve the ability of states and cities to evaluate low-income energy efficiency programs for their equity impacts, they would also help to hold states and cities accountable to their equity goals, build historically disinvested communities' capacity both to better access available programs and to engage and advocate for improvements, track program impacts and progress, and advocate for better program design to increase community benefits.

# Workshop Findings

The following sections include the key takeaways from the stakeholder workshops, as well as what we learned from our research to support our additional research questions.

## WORKSHOP KEY TAKEAWAYS

### *WORKSHOP 1: ENVISIONING A MORE EQUITABLE CLEAN ENERGY FUTURE*

The first workshop focused on what an equitable energy system could look like in an ideal future. We explored types of metrics that we could measure to track progress toward this future, which was our first attempt to identify potential new metrics for the scorecards.

Following are the main takeaways that emerged from the equity visioning workshops:

- The energy system should be affordable, clean, reliable, representative, accessible, and accountable.

- Language access for clean energy programs and utility resources is crucial.

- Procedural equity is needed in ways that are inclusive, representative, and not tokenizing.

- Utilities and policymakers need to establish baselines in order to track progress on equity-related goals.

- Energy should be a basic right that should be accessible to all regardless of ability to pay, and advocates supported policy that prevents all disconnections.

- State-level and public utility commission policy is necessary to direct utility efforts around equitable policies, programs, data collection, and accountability.

- CBOs and advocates emphasized the importance of energy democracy, with a desire for communities to own their own energy resources outside of investor-owned utility models.

Through the first workshop, we created a list of more than 40 potential metrics across structural, procedural, and distributional categories. The takeaways from this workshop informed our broader thinking about how to best center equity in the clean energy system across ACEEE's work and how equity fits into our scorecards. We continued to build on this initial list of metrics for our second and third workshops.

## WORKSHOP 2: DATA BARRIERS AND LEVERAGE POINTS

The second workshop explored how participants will use and benefit from new types of equity-focused metrics to advance their advocacy or organizational goals. We conducted an iceberg-style activity to identify barriers to and leverage points for enabling equity data collection from states, cities, and utilities.[26]

From the CBO and advocate workshop and the utility and program implementer workshop, the following main takeaways on barriers and leverage points emerged:

- The clean energy community can gain leverage for better data collection and accountability toward equity-related goals by changing how we define and measure the success of clean energy programs, moving away from measuring success in terms of energy savings to look at broader success metrics and outcomes (e.g., health impacts, community wealth building).

- More robust demographic data (i.e., race and ethnicity), location data, and workforce data are all needed to understand the equity-related impacts of utility, state, and local clean energy programs.

- Regulators have a key role to play in leveraging data; they can, for example, require and/or standardize rules around data access, data sharing, and utility equity-related goals.

- CBOs and advocates emphasized the need for more equitable representation, both in stakeholder processes and among those making decisions (i.e., government staff, public utility commissions, utility staff).

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[26] The iceberg activity is a systems thinking approach to help groups identify deeply set assumptions, societal barriers, and leverage points to influence change. Through this activity, we discussed an energy equity–related event and the patterns, structures, and mental models that influenced that event in order to identify barriers to change and leverage points for changing the event in the future. See here for more information on the iceberg framework: thesystemsthinker.com/connecting-systems-thinking-and-action/.

- CBOs and advocates identified a disconnect between the best practices for equitable policies and outcomes lauded by ACEEE scorecards (and other forms of industry recognition) and the experience of people on the ground.

The barriers and leverage points that emerged through these workshops helped us refine our equity metrics categories for prioritization in the final workshop.

### WORKSHOP 3: METRICS PRIORITIZATION FOR SCORECARDS

The third workshop focused on prioritizing metrics for the scorecards, with the goal of identifying agreement and disagreement among participants regarding which metrics to prioritize. In this section, we describe participant priorities and present other key takeaways from the third workshop, including how ACEEE scorecards can better support partner efforts and what other issues the clean energy community needs to address to move forward on these commitments.

Based on our conversations with support advocates, CBOs, and utilities about what they need to move forward on energy equity, we offer the following key takeaways:

- CBOs emphasized the need for an energy equity–focused collaborative to bring organizations and advocacy groups together to support and grow resources and consolidate and centralize data and tools for equity metrics.
- CBOs identified the need for more research and policy support around disaster preparedness, resilience, and equitable response to climate disasters, focusing on boosting community resilience through access to clean energy.
- CBOs requested more research to understand how decision-maker representation impacts policy and program outcomes.
- Utilities and program implementers emphasized challenges they face in collecting and tracking energy equity–related data at the household level due to issues of accuracy, data privacy, cost, and data access.
- CBOs emphasized the importance of accountability mechanisms and transparency to hold decision makers accountable to their equity-related commitments across policy, programs, and initiatives.

These discussions are informing how ACEEE will continue to work in the energy equity space and how we can make our scorecards more supportive of CBO, advocate, and utility needs.

## Proposed Metrics and Prioritization

### PROCESS FOR ADDING NEW SCORECARD METRICS

To incorporate new metrics into our scorecards, we developed the following process. First, we brainstorm and surface potential metric topics to prioritize in upcoming data collection efforts (i.e., data requests sent directly to state energy offices, local governments, or utilities). Next, we conduct outreach to states, cities, and/or utilities to determine whether these

entities have data available to score on this metric. If so, we include new questions in our data requests, then review the data provided to create a new scorecard metric. Finally, we create and score the new data in a final metric, often with different thresholds based on the extent of the action, policy, or program (e.g., 2 points max, with options to earn 1.5, 1, 0.5, or 0 points). In some cases, if very few respondents can provide the necessary data, we will not move forward with creating a new metric. In recent years, we have begun including priority metrics even in cases when many decision makers are not yet making progress on those metrics. In all cases, we engage stakeholders throughout the process to receive feedback on proposed metrics, data request questions, and final metrics.

From the themes that emerged in the Leading with Equity workshop discussions, we developed high-level questions that could be incorporated into the state, city, and utility scorecards to score on priority categories. Appendix B contains a list of all metric categories/questions that emerged for prioritization in the final workshop.

## PRIORITY METRICS

In the workshops, many CBOs said that new equity-focused metrics should focus on outcomes and accountability, rather than on high-level commitments to equitable policies, programs, and actions. Based on this feedback, we sent a metrics prioritization survey to workshop participants and the broader clean energy community. We also held discussions to identify areas of agreement and disagreement around which metrics to prioritize. The following sections highlight the priority metrics that emerged from the Leading with Equity process for inclusion in future ACEEE scorecards.

Each section focuses on a key metric area and contains a table highlighting the top four highest priority metrics in that area based on CBO rankings. The tables also include the overall metric category, potential data request questions to collect data to score on a new metric, and potential metrics that could be scored related to the metric category. These are all preliminary questions and metrics that will be refined through a robust metric review process for each scorecard. Appendix B has a full list of metrics categories, as well as the data request questions for each metric for the state, city, and utility scorecards.[27]

### *PROCEDURAL EQUITY*

As table 3 shows, CBOs and advocates prioritized four procedural equity categories: creating metrics around program targeting, engagement processes, compensation for engagement, and language access.

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[27] We combined metrics related to transgenerational equity into the structural, distributional, and procedural categories for this prioritization exercise.

Table 3. Procedural equity metrics in CBO prioritization order

| Cross-cutting metric category | Potential data request questions | Potential metrics to score |
|---|---|---|
| **Program targeting:** State, city, or utility has created and uses a definition of historically disinvested and/or underserved communities to target a percentage (e.g., 40%) of programs and resources to these communities. | • Has the entity defined historically disinvested communities?<br>• What is included in this definition?<br>• How was the definition created (e.g., was it created through a community engagement process)?<br>• What percentage of benefits are targeted to this group? | Points if<br>• States have defined historically disinvested communities<br>• Definition includes key factors determined through consensus (i.e., more than just income)<br>• Community led the creation of the definition |
| **Engagement processes:** State, city, or utility has processes in place to ensure equitable access and participation from people from disinvested communities in the state, city, and/or utility decision-making processes. | • What types of engagement processes are in place? What types of policies or programs include engagement processes?<br>• How many people, from what types of backgrounds, and what demographic categories participated in stakeholder engagement processes?<br>• Is there a process to ensure accountability to community/stakeholder feedback (i.e., beyond a check box) with feedback driving and defining outcomes? | Points if<br>• State, city, or utility has an engagement process in place that embeds transparency and accountability<br>• Engagement process is more than just a "check box" and decision maker is accountable to the feedback provided<br>• Engagement process addresses major barriers to participation<br>• Credit received only if state, city, or utility is partnering with a CBO or community leader on the engagement process in which the CBO defines and drives outcomes of the process<br>• State, city, or utility collects and reports on data to improve stakeholder engagement processes |
| **Compensation for engagement:** State, city, or utility compensates community members for participation in stakeholder engagement processes. | • What types of incentives do state, city, or utility provide to participants to ensure the process is not extractive? | Points if<br>• Financial compensation or grants are available to support time and effort to participate in |

| Cross-cutting metric category | Potential data request questions | Potential metrics to score |
|---|---|---|
| | • What barriers are in place to accessing these incentives?<br>• How much of the available incentives are accessed annually? | engagement process (e.g., intervenor compensation)<br>• Policies are in place to allow for compensation at the local or state level (e.g., funds available from government agencies) |
| **Language access:** Community engagement materials are accessible in the languages spoken across the communities served. | • What government and utility materials are translated into other languages?<br>• Are materials about stakeholder engagement processes translated?<br>• Do engagement meetings, call centers, and other program services have live interpretation services? | **Points if**<br>• Engagement materials are offered in the top three to five most-spoken languages in a state, city, or utility service territory<br>• Translation/interpretation services are offered at stakeholder engagement meetings |

We will prioritize the inclusion of metrics related to these four procedural equity categories in our next city, state, and utility scorecards.

## DISTRIBUTIONAL EQUITY

As table 4 shows, CBOs and advocates prioritized four distributional equity categories: energy affordability goals, access to existing program resources, energy access, and equitable distribution of benefits.

Table 4. Distributional equity metrics in CBO prioritization order

| Cross-cutting metric category | Potential data request questions | Potential metrics to score |
|---|---|---|
| **Energy affordability goals:** The state, city, or utility has set a goal to achieve an energy affordability threshold (i.e., to lower high energy burdens to an agreed upon level, e.g., 6%) and data are tracked and publicly accessible. | • Has the state, city, or utility set an energy affordability target?<br>• Are household energy usage and/or energy burdens tracked geographically?<br>• If so, what is the disproportional impact on low-income and communities of color? | **Points if**<br>• State, city, or utility has an energy affordability goal in place *and* has taken actions to achieve the goal through policy and programs<br>• State, city, or utility reports on progress toward achieving this goal through transparent data reporting (to support distributional metrics) |

| Cross-cutting metric category | Potential data request questions | Potential metrics to score |
|---|---|---|
| **Access to existing program resources:** State, city, or utility collects data to understand who historically and currently lacks access to clean energy benefits and investments, and is taking steps to address structural barriers. | • Who receives clean energy investments (e.g., EV infrastructure, mobility access, solar, weatherization, energy efficiency, energy storage) by demographics (e.g., race/ethnicity, immigrant/refugee status, homeowner/renter)?<br>• What percentage of disinvested communities are and are not participating in these programs?<br>• What barriers are in place preventing their participation? | **Points if**<br>• State, city, or utility is tracking demographics on program participation and putting strategies in place to correct disparities<br>• State, city, or utility conducts participant studies to understand barriers to participation *and* takes action to address these barriers |
| **Disconnections and access to energy:** State, city, or utility collects demographic data on who experiences disconnections or shutoffs from energy services, makes this data publicly available while ensuring customer privacy, and takes steps to ensure equitable energy access and prevent disproportionate impacts on disinvested communities. | • Are service disconnections and outages tracked for local communities?<br>• What disconnection prevention strategies or requirements are in place at the state or local level?<br>• How frequent and how long are outages and shutoffs?<br>• Do disconnections and outages disproportionally impact historically disinvested communities?<br>• Are these data publicly available? | **Points if**<br>• City or state requires disconnection and outage data to be publicly reported<br>• Points allocated based on lowest to highest disconnections<br>• Utility makes disconnection and outage data publicly available<br>• State, city, and/or utility has explored who disproportionally experiences disconnections *and* has created a plan to address disproportional impacts through bill arrearage support and energy efficiency programs |
| **Equitable distribution of benefits:** State, city, or utility uses data to make commitments and create accountability structures to ensure that historically disinvested communities receive equitable benefits through policy | • Are there processes in place to ensure that disinvested groups receive benefits at least in proportion to what they have paid into the system?<br>• Has the state, city, or utility aligned with the Justice40 | **Points if**<br>• State, city, or utility has a policy or program in place to ensure that disinvested communities receive equitable benefits<br>• Evaluations exist to show that the state, city, or utility's efforts |

| Cross-cutting metric category | Potential data request questions | Potential metrics to score |
|---|---|---|
| commitments and commensurate investments. | initiative? Is it working to allocate at least 40% of clean energy benefits to historically disinvested communities? | have ensured or are working toward ensuring that disinvested communities receive equitable benefits in proportion to policy commitments (e.g., Justice40) |

We are also exploring additional priorities that CBOs raised in the workshops, including metrics around community ownership of clean energy resources, policies and programs to build community wealth, access to financing, low-income program participation in non-low-income and low-income targeted programs, and local workforce development programs. In particular, **CBOs emphasized the importance of policies that build local community wealth** through community ownership of resources, workforce development investments, and wealth-building structural investments in residential and nonresidential buildings in local communities. Additional suggestions of metrics include tracking arrearage and debt accumulation with associated fees, shutoff moratorium protections, and access to model weatherization programs that include utility debt forgiveness.

## STRUCTURAL EQUITY

As table 5 shows, CBOs prioritized four structural equity categories: consumer protections, data access and transparency, community wealth building, and benchmarks and evaluations.

Table 5. Structural equity metrics in CBO prioritization order

| Cross-cutting metric category | Potential data request questions | Potential metrics to score |
|---|---|---|
| **Consumer protections:** Protections are in place to shield customers from loss of energy services, exploitative energy services, and exclusion from the benefits of the clean energy sector. | • Does the state government, city government, or other public advocate have consumer protections in place to protect households from loss of energy services or exclusion from energy sector benefits?<br>• Does the utility have corporate consumer protection policies?<br>• Are barriers in place that prevent households from accessing the consumer protections (i.e., application requirements)?<br>• Does the state or city uphold model consumer protection | Points if<br>• City or state has model consumer protections in place that protect households from loss of energy services or exclusion from the benefits from the energy sector<br>• State, city, or utility has removed barriers to accessing consumer protections |

| Cross-cutting metric category | Potential data request questions | Potential metrics to score |
|---|---|---|
| | policies as indicated by the National Consumer Law Center or other consumer advocates? | |
| **Data access and transparency:** Policies are in place that require reporting on demographic data and that include privacy protections, for the purpose of measuring access to, participation in, and benefits from clean energy programs in ways that are transparent and easily accessible. | • Does the state or city require utilities or government entities to report data on demographics or program participants, energy burdens, and/or other disparities?<br>• Are these data not only required to be reported but also easily accessible?<br>• Are these data accurate and reported in real time? | Points if<br>• Equity-focused data reporting requirements are in place<br>• Data are easy to find and easy to access by being readily available on a state, city, or utility website<br>• Data are reported accurately and in a timely fashion for relevant decision making and evaluation |
| **Community wealth building:** Decision makers have developed policies and programs that directly build community wealth. | • Are programs in place that close the racial wealth gap (e.g., green mortgages, community-owned solar)?<br>• Are programs in place to build wealth through both residential and commercial/small business investments or through hiring and contracting?<br>• Have these programs been evaluated to measure their impact on local wealth building? | Points if<br>• City or state developed policies and programs with the intention to build local wealth, with policies that build more wealth earning more points<br>• These programs address both residential and nonresidential needs<br>• These programs are evaluated to track their impact on economic well-being |
| **Benchmarks and evaluations:** Policies and programs include initial benchmarks and are consistently evaluated on progress toward stated equity-related goals. Policies and programs are on track to achieve those goals. | • Are there consistent benchmarks in place with accountability timelines to track progress toward equity-related goals?<br>• Are program outcomes consistently evaluated against benchmarks to track progress toward equity-related goals?<br>• Are these evaluations publicly available? | Points if<br>• Equity-related goals include both benchmarks and evaluations to track progress toward achieving them<br>• Evaluations are publicly available, transparent, and recent<br>• Evaluations tie distributional equity impacts to accountability measures |

| Cross-cutting metric category | Potential data request questions | Potential metrics to score |
|---|---|---|
| | • Do the evaluations tie distributional equity impacts to accountability metrics to ensure that broader equity-related goals are achieved? | |

Additional structural categories to explore include metrics on decision-maker representation and incentives for investment in clean energy resources. During the workshop, CBOs and advocates also discussed the need to measure the administrative burden placed on both customers participating in programs and program implementers. They also felt it was important to explore how decision-maker representation would impact outcomes through further research and data collection.

# Accountability, Next Steps, and Lessons Learned

## ACCOUNTABILITY AND NEXT STEPS

During the second year of the Leading with Equity Initiative, we are committed to ensuring that CBO priorities are integrated into our upcoming scorecards through a transparent and collaborative process. The previous section includes potential metrics for inclusion in the scorecards, and we will use transparent engagement processes to develop the most impactful and effective metrics for these categories. We are committed to authentic relationship building with CBOs to cocreate a feedback mechanism that supports the continual improvement of our metrics and practices over time. To this end, ACEEE makes the following commitments:[28]

- **Evaluation.** ACEEE will track progress toward its **goal of incorporating equity metrics that align with CBO priorities into its scorecards**. To achieve this commitment, scorecard leads will draft roadmaps indicating planned next steps for adding new equity metrics to their upcoming scorecards and will share this information with workshop participants for feedback.

- **Transparency.** ACEEE will publicly express its commitment, plan, and outcomes related to this goal. We will share these roadmaps publicly and create opportunities for stakeholder and CBO engagement as we draft the data request, score the metrics, and review the final report.

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[28] We adapted our accountability statement from the Sierra Club's 2020 *Shared Accountability Guide*, www.sierraclub.org/ready-for-100-toolkit/campaign-roadmap/implementation-and-beyond.

- **Relationships.** ACEEE will continue to build mutually beneficial and supportive relationships with CBOs and historically disinvested communities. We will engage with and listen to CBOs to ensure that our research and technical assistance will support their needs and will support advocacy campaigns where applicable.

- **Improvement.** ACEEE will continue to revise its plans and measures over time to stay on track to achieve its equity metrics–related goal. We recognize that this is a continuous process, and we are committed to revisiting the ACEEE scorecard metrics to ensure that they meet the priorities of historically disinvested communities to move clean energy policy toward a more equitable future.

As a next step, the lead authors of the state, city, and utility scorecards will develop roadmap documents that highlight the current state of equity metrics in each scorecard, as well as the goals we're aiming for in the next edition; priority metrics to add or change in each scorecard to reflect the Leading with Equity feedback; and a timeline and process for designing and incorporating new metrics that includes opportunities for stakeholder engagement, outreach, and feedback. Throughout the process of developing and implementing the new metrics, we will offer CBOs and advocates pathways to provide feedback and input.

We are also committed to working with the broader clean energy community and energy equity metric practitioners to ensure that any CBO priorities not addressed through the upcoming scorecards are addressed through the work of partners in the field. To this end, ACEEE is partnering with the University of Michigan's Energy Equity Project to create a collaborative for the energy equity metrics community to better align projects, goals, and outcomes to address the needs of CBOs and historically disinvested communities.[29]

## LESSONS LEARNED

Throughout the Leading with Equity Initiative, we convened CBOs, advocates, utilities, and program administrators through virtual workshops that led to many successes and lessons learned. We facilitated interactive meetings with opportunities for deep discussion, questions, and input, resulting in a list of metrics to inform our next scorecards. Workshop participants indicated that these activities were helpful in facilitating discussion and personal and group learning. After the first workshop, 80% of participants indicated that the workshop was extremely useful or useful, with 20% reporting a neutral experience. For the second and third workshops, more than 90% of participants indicated the workshops were extremely useful or useful, with less than 10% reporting a neutral experience.

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[29] The Energy Equity Project aims to create a framework for measuring equity across energy efficiency and clean energy programs among utilities, state regulatory agencies, and other practitioners. To learn more, see energyequityproject.com.

We also encountered barriers and lessons learned. Some participants indicated that holding three-hour virtual workshops made it hard to stay focused and engaged, even with breakouts and interactive activities. We also heard from some participants that the equity framework's dimensions pose accessibility barriers, and that using more accessible language could help ground equity conversations in real-world experiences. Utilities and program implementers expressed the need for more guidance and support for equity data collection. Some participants also indicated that the information about scorecard processes and metrics priorities in the final workshops was hard to follow. To address this feedback, we plan to continue exploring the language ACEEE uses to discuss energy equity and to create more interactive and engaging opportunities for transparent, accessible feedback as we move forward with the creation of new equity-focused metrics.

Overall, while this process was imperfect, we were able to achieve our objectives and are continuing to learn and grow as we create transparent, accessible processes for feedback and collaboration with partners to support our equity-focused research and scorecards. We will continue this work into the next year to ensure that all of our scorecard leaders are also leading on equity.

# Appendix A. Workshop Participants

Table A1. Participants in the Leading with Equity Initiative

| Community-Based Organization | Representative | Title |
|---|---|---|
| Catalyst Miami | Maya Cruz and Natalia Brown | Climate Justice Program Manager |
| Cleveland Neighborhood Progress | Divya Sridhar | Manager of Climate Resiliency and Sustainability |
| HousingNOLA | Andreanecia Morris | Executive Director |
| GreenRoots MA | John Walkey | Director of Waterfront & Climate Justice Initiatives |
| PUSH Buffalo | Clarke Glocker | Director of Policy and Strategy |
| Center for Earth, Energy, and Democracy | Ansha Zaman | Energy Policy Coordinator |
| Front and Centered | Mariel Thuraisingham | Clean Energy Policy Lead |
| NAACP | Tia Johnson | Environmental & Climate Justice State Chair of NAACP Wisconsin |
| Neighbor to Neighbor MA | Andrea Nyamekye | Associate Director |
| Partnership for Southern Equity | Chandra Farley and Alicia Scott | Just Energy Program Manager |
| Verde | Oriana Magnera | Energy, Climate, Transportation Program Manager |

| Advocacy Organization | Representative | Title |
|---|---|---|
| Clean Water Action MA | Paulina Casasola | Climate Justice Organizer |
| Dream Corps/Green for All | Harry Johnson II | Government Affairs & Policy |
| GRID Alternatives | Andie Wyatt | Policy Director and Legal Counsel |
| Stewards of Affordable Housing for the Future | Tawechote Wongbuphanimitr | Senior Associate, Energy and Sustainability |
| Texas Energy Poverty Research Institute (TEPRI) | Jacquie Moss | Research Fellow |
| University of Michigan | Justin Schott | Project Manager, Energy Equity Project |
| Fresh Energy | Ben Passer | Lead Director, Energy Access and Equity |
| Vote Solar | N/A | N/A |
| +1 additional advocate | | |

| Utilities and Program Implementers (Organization) | Representative | Title |
|---|---|---|
| Consolidated Edison | Linnea Paton | Project Specialist, Strategy & Planning, Distributed Resources Integration |
| City of Fort Collins Utilities | Brian Tholl | Energy Services Supervisor |
| Duke Energy | Tim Duff | General Manager, Regulatory Strategy and Analytics |
| Efficiency Vermont | Lauren Wentz | Program Manager, Low Income and Multifamily Housing |
| Energy Outreach CO | Andy Caler | Director, Energy Efficiency Programs |
| Energy Trust of Oregon | Andy Griguhn, Julianne Thatcher | Data & Business Intelligence Analyst Communications Manager |
| Eversource MA | Ruth Georges | Supervisor, Equity, Strategic Partnerships and Workforce Development |
| National Grid | Amy Vavak | Low- and Moderate-Income Customer Strategy Principal, New England |
| NW Natural | Cecelia Tanaka | Manager, Community Partnerships |
| NYSERDA | Scott Oliver | Program Manager, Energy Affordability and Equity |
| Pacific Gas & Electric | Marlene Murphy-Roach | Director, Low-Income Programs and Disadvantaged Communities |
| PacifiCorp | Jackie Wetzsteon | Environmental Program Manager |
| Seattle City Light | Jennifer Finnigan | Energy Planning Supervisor, Customer Care & Energy Solutions |
| SoCal Gas | Darren Hanway, Rodney Davis | Manager, Energy Programs & Strategy Manager, Energy Program Outreach |
| Tampa Electric Company (TECO) | Mark Roche | Manager, Regulatory Rates |
| PEPCO | Nathanial Zorach | Senior Energy Efficiency Program Manager |
| +5 additional utilities and implementers | | |

# Appendix B. Potential Equity Metrics

The following tables contain the full list of potential metrics that workshop participants identified in the first two workshops and then prioritized in the third workshop in the Leading with Equity workshop series. Participants prioritized metrics across procedural, distributional, and structural categories, looking at the *cross-cutting metric category* for prioritization. The tables show the potential ways that these metrics could be incorporated through sample data request questions for decisionmakers for the state, city, and utility scorecards.

We arranged the metrics in alphabetical order within the categories of how difficult they are to score (easy, medium, and hard) based on data availability and scoring complexity. We are open to including new metrics from across all three of these categories in the next scorecard editions.

Table B1. Potential procedural equity–focused questions for inclusion in data requests for each ACEEE scorecard

| PROCEDURAL EQUITY METRICS<br>Cross-cutting metric category | State Scorecard<br>Data request question | City Scorecard<br>Data request question | Utility Scorecard<br>Data request question | Difficulty to score |
|---|---|---|---|---|
| **Compensation for engagement:** What financial and/or other support is provided to compensate community members' participation in decision-making processes? | *Has the state established requirements and processes to provide financial assistance for CBOs participating in PUC regulatory proceedings or other decision-making processes?* | *What financial and/or other support is provided to compensate community members' participation in climate action planning or other decision-making processes?* | *What financial and/or other support is provided to compensate CBOs for participating in PUC rate cases and other regulatory decisions?* | Easy |
| **Language access:** Are community engagement processes accessible in the languages spoken across the communities served? Is there existing documentation available | *Are materials about state-funded clean energy programs offered in the most commonly spoken languages in the state?* | *Were community engagement events conducted in languages other than English? Please list these events and the language used to conduct each.* | *Does the utility offer customer services in additional languages (besides English)?*<br><br>*If so, which languages?* | Easy |

| PROCEDURAL EQUITY METRICS<br>Cross-cutting metric category | State Scorecard<br>Data request question | City Scorecard<br>Data request question | Utility Scorecard<br>Data request question | Difficulty to score |
|---|---|---|---|---|
| in the most commonly spoken languages within specific geographic regions? | | | Has the utility made efforts to engage with non-English speakers in planning, program development, etc.? | |
| **Community engagement topics:** What types of policies and/or programs has the state/city/utility created equitable stakeholder engagement processes around (e.g., building performance requirements, urban heat island mitigation, EV infrastructure)? | How has the state government created equitable stakeholder engagement processes around the adoption or implementation of a single policy, program, or project (e.g., building performance requirements, statewide climate and energy plans, EV infrastructure deployment)? Please list these and provide supporting documentation. | How has your city created equitable stakeholder engagement processes around the adoption or implementation of a single policy, program, or project (e.g., building performance requirements, urban heat island mitigation programs, EV infrastructure projects)? Please list these and provide supporting documentation. | Has the utility engaged in any equitable stakeholder engagement processes (town halls, customer focus groups, etc.)?<br><br>If so, what actions has the utility taken as a result of engaging with customers from disinvested groups? | Medium |
| **Data access and transparency:** Are needed data available to measure progress toward equity-related goals (e.g., are data on dollars spent and savings achieved from equity-focused programs made publicly available)? | Has the state established common metrics to track progress toward equity goals? Are these data publicly available? Please share links to relevant documents. | Please share links to all publicly available data that track progress toward equity-related goals. | How publicly accessible are key inputs for utility decision-making processes on resource planning? Are documents redacted?<br><br>OR<br><br>Does the utility track progress toward equity-related goals and | Medium |

| PROCEDURAL EQUITY METRICS<br>Cross-cutting metric category | State Scorecard<br>Data request question | City Scorecard<br>Data request question | Utility Scorecard<br>Data request question | Difficulty to score |
|---|---|---|---|---|
| | | | *outcomes (LMI customer participation, savings, etc.)? If so, are these data publicly available via a website, regulatory filing, etc.? Please share links to the relevant documents.* | Medium |
| **Program accessibility:** How many applicants for clean energy programs come from historically disinvested neighborhoods? | *Please share all available program data documenting participation from those living in historically disinvested neighborhoods. How well do the state-funded programs reach disinvested households?* | *Please share all available program data documenting participation from those living in historically disinvested neighborhoods.* | *Has the utility used mapping or other geographic tools to measure participation in clean energy programs across its service territory?*<br><br>*Are there any processes in place to ensure these programs are reaching disadvantaged communities?* | Medium |
| **Program targeting:** Has the state/city/utility decision maker identified and defined historically disinvested communities and/or underserved communities and does it use this definition to target a percentage (e.g., 40%) | *Does the state have a definition for historically disinvested communities, and has the state set policy to specifically meet the needs of these communities?* | *Has your city formally identified its historically disinvested and/or underserved communities? If so, what are these communities?* | *In addition to household income, what other criteria does the utility use to target programs and services to disadvantaged customers and communities?* | Medium |

| PROCEDURAL EQUITY METRICS<br>Cross-cutting metric category | State Scorecard<br>Data request question | City Scorecard<br>Data request question | Utility Scorecard<br>Data request question | Difficulty to score |
|---|---|---|---|---|
| of programs or resources to these communities? | | | | |
| **Engagement processes:** What processes are in place to ensure access and participation in utility/city/state decision-making processes for people from historically disinvested communities? How many people, from what types of backgrounds, and what demographic categories participated in stakeholder engagement processes? Is there a process to ensure accountability to community/stakeholder feedback (i.e., beyond a check box) with feedback driving and defining outcomes? | *What processes are in place to ensure access and participation in state agency decision-making processes (e.g., PUCs, SEOs)? Is compensation available? Who engages and who doesn't?* | *What types of platforms does the city use to engage on each policy? How accessible is information about engagement? What accountability measures are in place for community input to impact final decisions?* | *What types of platforms are used for utilities to engage with stakeholders (e.g., workshops, public comments, working groups)? How accessible is information about engagement opportunities?*<br><br>*Does the utility facilitate opportunities for community input to program design for offerings that serve those communities?* | Hard |

Table B2. Potential distributional equity–focused questions for inclusion in data requests for each ACEEE scorecard

| DISTRIBUTIONAL EQUITY METRICS<br>Cross-cutting metric category | State Scorecard<br>Data request question | City Scorecard<br>Data request question | Utility Scorecard<br>Data request question | Scoring difficulty |
|---|---|---|---|---|
| **Energy affordability:** Has the state/city/utility set an energy affordability goal (i.e., to lower high energy burdens to an agreed upon level, e.g., 6%)? Is household energy usage and/or energy burdens tracked geographically? If so, what is the disproportional impact on low-income or communities of color? Is the goal tracked with publicly accessible data? | *Has the state set an energy burden reduction and/or affordability goal and, if so, has it tracked progress on this goal?* | *Has the city adopted a specific energy affordability goal? If so, please describe the goal and share any data it is using to track progress toward it.* | *Are you tracking customer energy burdens? In what ways do you monitor customer energy costs in relation to household income?* | Easy |
| **Access to existing program resources:** Who is receiving clean energy investments (e.g., EV infrastructure, mobility access, solar, weatherization, EE, energy storage) by demographics (e.g., race/ethnicity, immigrant/refugee, homeowner/renter)? What percentage of these populations are and are | *Has the PUC initiated a proceeding dedicated to ensuring all customers benefit from the clean energy transition? For example, issues addressed may include requirements to include data-driven assessments of impacted communities from building or taking down assets/infrastructure, workforce development, or increasing* | *What is the makeup of city-level investments in distribution infrastructure, and where are these investments prioritized to support community distributed resource planning (i.e., substation infrastructure, broadband, interconnection of facilities)? What MOUs are in place with utilities to support data collection on utility infrastructure?* | *In terms of the utility's investment in clean energy infrastructure, how are these benefits distributed in terms of recipient income/race/citizenship status? Have there been any efforts to ensure that benefits from investments reach disinvested groups?* | Medium |

| DISTRIBUTIONAL EQUITY METRICS Cross-cutting metric category | State Scorecard Data request question | City Scorecard Data request question | Utility Scorecard Data request question | Scoring difficulty |
|---|---|---|---|---|
| not participating in these programs? | program participation among low-income and EJ communities. | | | |
| **Access to financing:** How accessible are financing tools for disinvested communities to access clean energy investments? | Please share detailed participant qualification criteria for all state-administered or -sponsored clean energy financing programs. | Please share detailed participant qualification criteria for all city-administered or -sponsored clean energy financing programs. | Do you offer any on-bill financing programs for energy upgrades? If so, what are the qualification criteria to participate? | Medium |
| **Access for LMI:** What percentage of LMI households qualify for programs but do not have access due to deferrals for home quality, credit scores, funding, etc.? What is the service gap? | How many homes/buildings have received resources and how many need investment? What is the potential for investment? Can this investment achieve statewide climate goals? | *(For surveyed utilities serving cities)* Please share all available data documenting instances of LMI households not being able to participate in energy efficiency programs due to deferrals for home quality, credit scores, or insufficient upfront funding. | Has the utility conducted any nonparticipant studies for LMI programs? What is the gap between qualified customers and those who receive benefits? | Medium |
| **Disconnections and access to energy:** Are service disconnections and outages tracked for local communities? How frequent and how long are outages and shutoffs? If tracked, what is the disproportional impact on communities of color or LMI communities? | Does the state track service outages and disconnections? How frequent and how long are outages and shutoffs, and is there a cost associated with reconnecting? If so, what is the disproportional impact on communities of color or LMI communities? | *(For surveyed utilities serving cities)* Are service disconnections and outages tracked for local communities? How frequent and how long are outages and shutoffs, and is there a cost associated with reconnecting? If so, what is the disproportional impact on communities of color or LMI communities? | Are service disconnections and outages tracked for local communities? How frequent and how long are outages and shutoffs, and is there a cost associated with reconnecting? If so, what is the disproportional impact on communities of color or LMI communities? | Medium |

| DISTRIBUTIONAL EQUITY METRICS Cross-cutting metric category | State Scorecard Data request question | City Scorecard Data request question | Utility Scorecard Data request question | Scoring difficulty |
|---|---|---|---|---|
| | | impact on communities of color or LMI communities? | | Medium |
| **Equitable distribution of benefits:** Are there processes to ensure that disinvested groups receive benefits at least in proportion to what they have paid into the system (if not greater)? | *Have any state agencies (including SEOs, regulators) initiated an energy equity study including geospatial analysis of impacts of current health and pollution impacts, levels of participation, and identifying obstacles to engagement?* | *How has your city institutionalized equity accountability measures such that all policy and planning documents undergo structural equity assessments?* | *In delivering programs to customers, what methods do you use to ensure that benefits are reaching customers from disadvantaged groups (e.g., geographic targeting, focus groups, participant surveys, etc.)?* | Medium |
| **Participation for LMI:** What percentage of eligible LMI households participate/access program benefits? What is the participation gap? | *Does the state have electrification goals that prioritize low-income customers and their affordability needs, and has the state made progress on this goal?* | *Who is participating in locally funded clean energy programs by demographics and geography?* | *Has the utility conducted any participant studies of clean energy programs? Any nonparticipant studies? If so, what is the gap between eligible customers and participants?* | Medium |
| **Community ownership:** Who owns and profits from clean energy investments? Are certain investments building wealth in local communities or building wealth for corporations? Are | *How have clean energy investments in the state created wealth? Who has most benefited from these economic impacts?* | *Does your city track owners and investors in local clean energy projects? Please share all available data or reports detailing information about these owners and investors.* | *For any utility-owned generation facilities, has the utility developed any profit-sharing or wealth-building agreements (local hiring, etc.) with communities where clean energy developments are sited?* | Medium/ Hard |

| DISTRIBUTIONAL EQUITY METRICS<br>Cross-cutting metric category | State Scorecard<br>Data request question | City Scorecard<br>Data request question | Utility Scorecard<br>Data request question | Scoring difficulty |
|---|---|---|---|---|
| there community-ownership models in place? | | | | |
| **Energy use:** Are there data on energy usage per square foot for LMI households? If so, what is the disproportional impact on communities of color or LMI communities? | Please share aggregated state-level residential energy use data broken down by building type and geographic location across the state. | **(For surveyed cities)** Please share aggregated neighborhood-level residential energy use for the city you serve.<br>**(For surveyed cities)** Please share any available data your city has compiled to characterize the total square feet of residential buildings. | Does the utility track customer energy burdens (i.e., energy spending in relation to household income)?<br>If so, are there any efforts to compare energy burdens with other indicators of equity (race, renter status, age, etc.) to deliver targeted services? | Hard |
| **Health impacts:** Are health impacts regarding energy-generation pollution, indoor air quality, pollution burdens, and asthma rates tracked in local communities? If so, what is the disproportional impact on communities of color or LMI communities? | What does progress toward state climate goals look like? Has the state purchased offsets to achieve climate goals and, if so, have those offsets impacted disinvested communities? | Does your city track health equity indicators or metrics? If so, please share all available data or reports. | What are the health impacts associated with the utility's fuel generation facilities? What is the occurrence of asthma or other health impacts in the radius of the utility's generation facilities? | Hard |
| **Procurement:** Who is benefiting from hiring and workforce development initiatives, training | Has the state government conducted a disparity study of its procurement and contracting for state-funded programs and | Has your city conducted a disparity study of its procurement | Does the utility promote diversity in its own workforce or | Hard |

LEADING WITH EQUITY © ACEEE

| DISTRIBUTIONAL EQUITY METRICS<br>Cross-cutting metric category | State Scorecard<br>Data request question | City Scorecard<br>Data request question | Utility Scorecard<br>Data request question | Scoring difficulty |
|---|---|---|---|---|
| for contracts, and innovation and R&D investments? | policies? Please share a link to or copy of the document. | and contracting? Please share a link to or copy of the document. | its partnerships with third-party implementers? | |
| **Targeted investments:** Are investments such as jobs and community wealth-building resources being focused on communities most impacted by fossil fuel generation? Have funds increased over time and where do funds come from? | What is the total statewide energy efficiency investment toward low-income households and disinvested communities (through utility, state, health-related, and other sources)? | Has your city tracked its clean energy investments designed to provide community wealth-building resources and jobs to local communities most impacted by fossil fuel generation? If so, please share all available data characterizing these projects along with their funding sources and amounts. | Has the utility made any efforts to engage with "environmental justice" communities in delivering programs and services? If so, what methods is the utility using to track and report on its engagement? | Hard |
| **Workforce:** What is the diversity of the clean energy workforce? Are clean energy jobs high paying with good benefits? Do these jobs benefit LMI and disinvested communities? | Has the state conducted an analysis of the diversity, wages, and community benefits from the statewide clean energy workforce? | Has your city conducted an analysis of the diversity, wages, and community benefits from local clean energy firms? | Has the utility made any efforts to track the diversity of its workforce or that of its partner organizations? | Hard |

Table B3. Potential structural equity–focused questions for inclusion in data requests for each ACEEE scorecard

| STRUCTURAL EQUITY METRICS Cross-cutting metric category | State Scorecard Data request question | City Scorecard Data request question | Utility Scorecard Data request question | Scoring difficulty |
|---|---|---|---|---|
| **Consumer protections:** What protections are in place to protect customers from loss of service, unaffordable energy, etc.? | Do states have consumer protections in place? If so, do the state's consumer protections protect disinvested communities from exploitation from third-party energy suppliers and/or unaffordable energy? What are the criteria to qualify for protection (i.e., health related)? What barriers are in place to receiving protections? How equitable are the consumer protections generally? | *(For surveyed utilities serving cities)* What steps does your company take to protect customers from unexpected high energy bills and disconnections? | What steps does your company take to protect customers from unexpected high energy bills and disconnections? | Easy |
| **Comprehensiveness:** How comprehensive are services offered to LMI and disinvested communities (e.g., lighting vs. weatherization)? | Please list the specific measures or services that your clean energy low-income incentive or financing programs provide or fund for participants. | Please list the specific measures or services that your clean energy low-income incentive or financing programs provide or fund for participants. | Please list the specific measures or services that your clean energy low-income incentive or financing programs provide or fund for participants. | Easy |
| **Incentives for clean energy:** What types of incentives do the city/state/utility offer to support investment in clean energy? | What types of tax breaks and incentives are in place at the state level to incentivize clean energy (e.g., solar tax breaks)? What types of tax breaks are in | Does the city offer clean energy financial incentives or financing programs (e.g., tax abatements, rebates, loans, PACE) and/or nonfinancial incentives | What tax breaks and/or incentives has the utility received to subsidize its operations? How much of those tax breaks go toward utility profits? | Easy/ Medium |

| STRUCTURAL EQUITY METRICS — Cross-cutting metric category | State Scorecard — Data request question | City Scorecard — Data request question | Utility Scorecard — Data request question | Scoring difficulty |
|---|---|---|---|---|
| | *place to support fossil fuel generation?* | *(e.g., density bonuses, expedited permitting, permit fee reductions) for low-income households and communities? Please describe the programs and indicate if they are offered by a municipal utility. Please provide a link or other supporting documentation for each. If available, please provide data on the impacts of programs. This could include the budget expended, number of participants, and/or energy savings.* | | |
| **Language access:** Is program information available in the languages of communities that are historically underserved by programs? | *Please share links to or copies of program information that has been made available in the languages of communities that have been historically underserved.* | *Please share links to or copies of program information that has been made available in the languages of communities that have been historically underserved.* | *Please share links to or copies of program information that has been made available in the languages of communities that have been historically underserved.* | Easy |
| **Benchmarks:** Are there consistent benchmarks in place with accountability timelines to track progress toward equity-focused goals? These should | *Have you adopted specific goals, metrics, or protocols to track and/or evaluate how multiple energy, sustainability, or climate action initiatives are affecting* | *Have you adopted specific goals, metrics, or protocols to track and/or evaluate how multiple energy, sustainability, or climate action initiatives are affecting* | *Are there mandates for utilities to achieve equity-related targets? Are there financial repercussions (i.e., penalties or benefits) attached to those targets? Do* | Medium |

| STRUCTURAL EQUITY METRICS<br>Cross-cutting metric category | State Scorecard<br>Data request question | City Scorecard<br>Data request question | Utility Scorecard<br>Data request question | Scoring difficulty |
|---|---|---|---|---|
| connect distributional equity impacts to accountability metrics to ensure that broader equity-related goals are achieved. | local disinvested groups? If so, please describe them here and provide a link to or copy of documents or other materials detailing them. | local disinvested groups? If so, please describe them here and provide a link to or copy of documents or other materials detailing them. | utilities report on standardized data to track progress and accountability? | |
| Data access and transparency: Are data on demographics for program participants, energy burdens, and/or energy consumption transparent and easily accessible across clean energy programs, including low-income and multifamily programs? Are these data provided accurately and in real-time? | What is the geography and demographics of WAP and LIHEAP participants, and where are these programs oversubscribed? Are states combining federal WAP/LIHEAP programs with other funding sources for weatherization and clean energy? | Please share all tracked clean energy program participant data characterizing demographics, energy burdens, and/or energy consumption. How often are these data compiled? How are they shared within your city government and with the public? | Does the utility track and/or publicize data on clean energy program participation, customer energy burdens, service outages, and/or disconnections? Are these data available to the public? Please share any and all reports the utility has created regarding the metrics above. | Medium |
| Evaluation: Are program outcomes consistently evaluated against benchmarks to track progress toward equity and other goals? Do these include accountability measures? | Are there repercussions for utilities or program admins who fail to achieve equity-related or other targets? Do regulators require standardized data from utilities to track progress and accountability? | How are local governments enforcing data collection efforts on housing quality and building performance data? | Does the PUC include equity-focused outcomes in its evaluation of the success of utility programs? Is utility management evaluated and compensated based on success in achieving equity outcomes? | Medium |

| STRUCTURAL EQUITY METRICS Cross-cutting metric category | State Scorecard Data request question | City Scorecard Data request question | Utility Scorecard Data request question | Scoring difficulty |
|---|---|---|---|---|
| **Community wealth building:** Are there programs in place that close the racial wealth gap, especially for smaller property owners and homeowners (e.g., green mortgages, stormwater mitigation)? | *How many projects are owned by local communities rather than by government or for-profit entities (e.g., community-owned, co-op energy projects)?* | *What policies does the city have in place to prevent negative affordability outcomes from its clean energy programs?* | *What is the proportion of utility profits to customer debt for each utility? How much are some utilities profiting at the expense of customers/communities? How do utility profits compare to the wealth build in local communities through utility investments?* | Hard |
| **Decision-maker representation:** What percentage of decision makers (e.g., PUC staff, utility leadership/staff, state and local policymakers) are from communities of color or from historically disinvested communities? | *What percentage of decision makers (among PUC and SEO staff) are from communities of color or from historically disinvested communities?* | *Have you created a formal role (e.g., city boards, working groups, or committees) for disinvested community residents and/or the local organizations representing them to participate in decision making that affects the creation or implementation of a local energy, sustainability, or climate action plan? Please describe any formal roles you have created, share a list of the group's members, and provide a link to or copy of supporting documents or other materials.* | *What percentage of decision makers (among utility staff) are from communities of color or from historically disinvested communities?* | Hard |

| STRUCTURAL EQUITY METRICS<br>Cross-cutting metric category | State Scorecard<br>Data request question | City Scorecard<br>Data request question | Utility Scorecard<br>Data request question | Scoring difficulty |
|---|---|---|---|---|
| **One-stop-shop model:** How is the state/city/utility streamlining program offerings and enrollment to make it easier for households to access services? | *How is the state working to streamline program enrollment in its communities? How are cities addressing barriers to participating in programs (e.g., creating a separate program for roof repairs)?* | *How is the city working to streamline program enrollment in its communities? How are cities addressing barriers to participating in programs (e.g., creating a separate program for roof repairs)?* | *What efforts has the utility made to streamline its program delivery process and make it easier for households to access services?* | Hard |

(/)

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# Energy Equity

# Welcome to ACEEE's Energy Equity Topic Page

Many groups have historically been underserved by energy efficiency and other clean energy investments, including Black communities, Indigenous communities, people of color, low-income individuals, youth, older adults, recently arrived immigrants, those with limited English proficiency, and people with disabilities.

## The Problem:

The unequal burden faced by historically disinvested communities often stems from systemic racial and social discrimination. For example, past and current policies have disproportionately concentrated low-income households and communities of colors in areas with poor housing, high

Advancing equity in energy efficiency and clean energy programs, policies, and investments can

poverty rates, negative health impacts, and fewer high-quality jobs. A few examples of structural factors that have led to these inequities include redlining, exclusion from financing and investments, employment discrimination, and underfunded schools.

These same patterns have also limited access to efficient and healthy homes for these households. For example, ACEEE research has found disproportionate energy burdens nationally, regionally, and across metro areas for certain groups, including low-income households, households of color, renters, and older adults.

ensure that disinvested communities benefit from the clean energy transition. Energy efficiency can reduce <u>energy costs</u>

## Defining Equity in Energy Efficiency:

Equity in energy efficiency represents policies and programs that are informed by the community's input and designed to meet the needs of all individuals. Equitable energy efficiency policies and programs are based on the principle that each action taken must not deepen, and should reduce, social, environmental, or economic inequalities.

We recognize that many frontline communities and community-based organizations have contribute significant work to this area and ACEEE's energy equity definition and contributions are building on the expertise and existing efforts of these communities and organizations. ACEEE is building relationships with community-based organizations (CBOs) that are representative of a community or significant segments of a community and provide financial, educational, and/or other resources aimed at enhancing health, wealth, and overall community well-being.

> We acknowledge that our knowledge in energy equity is growing, and we are committed and open to feedback from our partners and leading energy equity experts.

(https://www.aceee.org/research-report/u2006), create jobs (https://www.aceee.org/sites/default/files/pdfs/b2003%20%281%29.pdf), and promote health, safety (https://www.aceee.org/research-report/h2201), and well-being, but efficiency policies and programs can increase inequities if they do not include disinvested communities in these benefits. Decision-makers, including those working in utilities, regulatory bodies, and governments, can help address energy disparities for low-income households (https://www.aceee.org/sites/default/files/publications/researchreports/u1713.pdf), renters (https://www.aceee.org/blog-post/2022/08/one-third-tenants-behind-utility-bills-highlighting-need-energy-upgrades), and other marginalized households (https://www.aceee.org/research-report/b2301) through well-designed energy efficiency programs and policies.

At ACEEE, we define energy equity using a sustainability framework (https://www.usdn.org/uploads/cms/documents/usdn_equity_scan_sept_2014_final.pdf) developed by Angela Park and colleagues at the Urban Sustainability Directors Network. As illustrated in the figure below, this framework includes four dimensions of equity: procedural equity, structural equity, distributional equity, and transgenerational equity. We use this framework to assess the extent to which policies and programs embed inclusive engagement processes, result in a fair distribution of benefits and burdens, and ensure desired outcomes benefit future generations.

Community-based organizations (CBOs) are representative of a community or significant segments of a community and provide financial, educational, and/or other resources aimed at enhancing health, wealth, and overall community well-being.

# 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

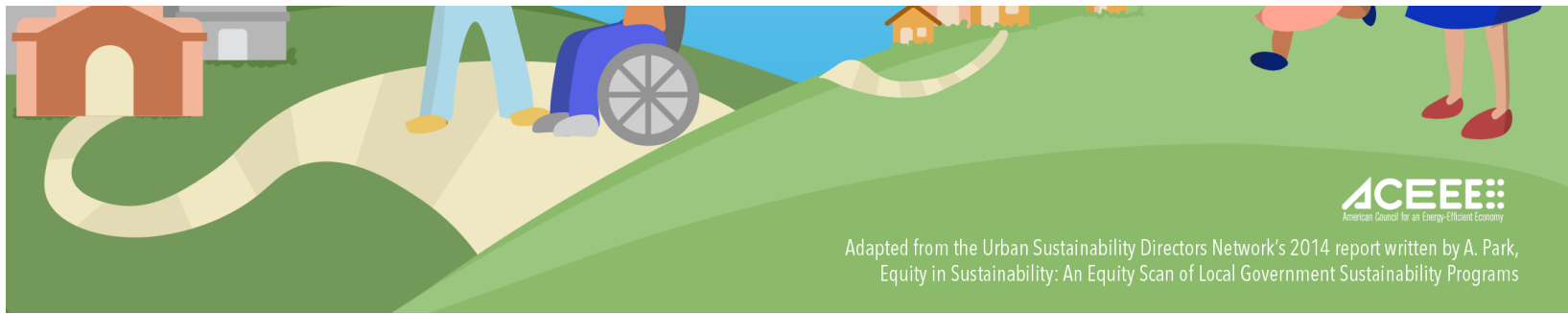Decision makers **consider the impact on future generations** of the clean energy policies and programs they develop.

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

# Benefits of energy equity

Incorporating the four dimensions of energy equity in energy efficiency efforts can improve decision-making, change how benefits and burdens are distributed, and address current barriers. Equitable energy policies often improve energy access and affordability, procedural justice, economic participation and community ownership, and health and environmental impacts. The characteristics of an equitable energy system shown below guide us in determining if the energy efficiency sector, or a particular policy or program, is moving toward an equitable future.

# Organizations leading efforts to conceptualize and advance energy equity

ACEEE recognizes that many organizations have contributed significantly to this area of work. We highlight organizations efforts to conceptualize and advance energy equity:

- The [Energy Equity Project (https://energyequityproject.com/)](https://energyequityproject.com/) created a [framework (https://energyequityproject.com/wp-content/uploads/2022/08/220174_EEP_Report_8302022.pdf)](https://energyequityproject.com/wp-content/uploads/2022/08/220174_EEP_Report_8302022.pdf) to measure equity in energy efficiency and clean energy programs.

- The [Initiative for Energy Justice (https://iejusa.org/)](https://iejusa.org/) offers educational resources for examining and measuring energy justice locally.

- The National Association for the Advancement of Colored People ([NAACP (https://naacp.org/)](https://naacp.org/)) provides resources including the [Just Energy Toolkit (https://naacp.org/resources/just-energy-reducing-pollution-creating-jobs-toolkit)](https://naacp.org/resources/just-energy-reducing-pollution-creating-jobs-toolkit), [Solar Equity Initiative (https://naacp.org/resources/equitable-solar-policy-principles)](https://naacp.org/resources/equitable-solar-policy-principles), and [Guide for Engaging with Public Utilities and Public Service Commissions (https://naacp.org/resources/engaging-public-utilities-and-public-service-commissions)](https://naacp.org/resources/engaging-public-utilities-and-public-service-commissions).

- The [Texas Energy Poverty Research Institute (https://te...](https://te) advances solutions for an affordable, reliable, and sus... energy system that supports thriving communities.

- [Emerald Cities Collaborative (https://emeraldcities.org...](https://emeraldcities.org) resources on equitable building electrification, energy... workforce development, and community engagement...

- The Urban Sustainability Directors Network (USDN) cre... [framework (https://emeraldcities.org/wp-content/uploads/2021/09/usdn_equity_and_buildings_...june_2021.pdf)](https://emeraldcities.org/wp-content/uploads/2021/09/usdn_equity_and_buildings_) for centering equity in policies and pr... targeting buildings.

# Our efforts to advance energy equity

ACEEE is working to embed attention to equity in our research and advocacy. Our projects and initiatives related to energy equity include:

# Equity-Focused Working Groups

ACEEE convenes working groups (https://www.aceee.org/working-groups) focused on identifying best practices for expanding energy equity and improving low-income energy efficiency programs and multifamily energy efficiency programs. The working groups share information on emerging trends, foster peer-to-peer learning among working group members, and promote innovative policies, programs, and strategies. ACEEE also provides technical assistance to working group members to help them create or expand comprehensive and equitable efficiency programs.

# Energy Equity for Homeowners Initiative

Our Energy for Equity for Homeowners (https://www.aceee.org/energy-equity-homeowners-initiative) initiative (2022 – present) works to advance energy efficiency in owner-occupied housing, particularly for low-income homeowners and homeowners of color. In 2022, ACEEE convened over 20 U.S. cities to share their experiences, challenges, and plans for expanding energy efficiency services to more homeowners, specifically low-income homeowners and homeowners of color. In 2023, we also offered customized technical assistance to support work to advance equitable energy efficiency programs or policies for owner-occupied housing.

## Related publications:

- *Energy Equity for Homeowners: Policy and Program Guide for Local Governments* (https://www.aceee.org/toolkit/2023/07/energy-equity-homeowners-policy-and-program-guide-local-governments) offers strategies for cities to scale energy efficiency in owner-occupied housing. The guide includes lessons learned from several local governments and best practices to ensure equitable outcomes.

# Energy Equity for Renters Initiative

ACEEE's Energy Equity for Renters (https://www.aceee.org/energy-equity-for-renters) (2021 – present) initiative promotes affordable, energy-efficient housing for renters. So far, ACEEE has provided technical assistance to five local governments and their community partners to help them develop initiatives to improve rental home energy performance while preserving housing affordability.

## Related publications:

- A New Lease on Energy Guidance for Improving Rental Housing Efficiency at the Local Level (https://www.aceee.org/research-report/u2102) highlights actions for local governments interested in reducing energy use in rental properties while preserving or increasing housing affordability.
- Energy Equity for Renters Toolkit (https://www.aceee.org/toolkit/2022/11/energy-equity-renters-toolkit) offers strategies and case studies that local governments can use to approach policies and programs that address anti-displacement challenges, funding and financing, community engagement, and accountability. The toolkit is available in English, Spanish, and Vietnamese, and a fact sheet summarizing the toolkit is available in English, Arabic, Somali, Spanish, Swahili, and Vietnamese.

- Our Energy Equity for Renters Policy Tracker (https://www.aceee.org/energy-equity-renters-policy-map) is an interactive map identifying cities, counties, and states with policies or programs to scale energy efficiency in rental housing while ensuring equitable outcomes.

# Leading with Equity Initiative and Equity Working Group

Through our Leading with Equity initiative (https://www.aceee.org/energy-equity-initiative) (2021–present) and Equity Working Group, ACEEE convenes community-based organizations and utilities to jointly define success for equitable decarbonization and embeds what we learn across our research. Via Leading with Equity, we aim to ensure that frontline communities drive the development of priorities and metrics that

guide us toward an equitable energy future. Through this initiative we have focused on embedding these priorities in ACEEE's clean energy scorecards with new and improved equity-related metrics in the City, State, and Utility Scorecards published in 2022-2024. Similarly, ACEEE's Equity Working Group convenes community-based organizations to provide equity-focused feedback on ACEEE's work and share information and resources with CBOs.

**Related publications:**

- ACEEE's Leading with Equity Initiative: Year Two Recap and Next Steps (https://www.aceee.org/memo/2023/04/aceees-leading-equity-initiative-year-two-recap-and-next-steps) summarizes the initiative's workshops, findings, and lessons learned from 2022.
- Recommendations for State Decision Makers, Utilities, and Regulators to Advance Energy Equity (https://www.aceee.org/fact-sheet/2023/02/leading-equity-recommendations-state-decision-makers-utilities-and-regulators) highlights strategies to advance an equitable energy future through state- and utility-level action. The recommendations were informed by community-based organizations and advocates that participated in the first year of the initiative.

- ACEEE Scorecard Equity Metrics Implementation Strategies (https://www.aceee.org/fact-sheet/2022/06/aceee-scorecard-equity-metrics-implementation-strategies) describe ACEEE's steps to incorporate workshop participants' recommendations into our state, utility, and city scorecards.

- ACEEE's Leading with Equity Initiative: Key Findings and Next Steps (https://www.aceee.org/white-paper/2021/12/aceees-leading-equity-initiative) gives an overview of the initiative and highlights metrics prioritized by workshop participants.

# Residential Retrofits for Energy Equity (R2E2)

Through Residential Retrofits for Energy Equity (https://www.aceee.org/r2e2) (2022-present), ACEEE and partners organizations provide in-depth training and technical assistance to state, local, and tribal governments and community-based organizations to support energy-saving home retrofits for affordable

housing.

## R2E2 resources:

- Check out [recordings of past R2E2 webinars (https://www.aceee.org/r2e2-resources)](https://www.aceee.org/r2e2-resources) on equity and buildings, community-driven planning, funding sources for affordable housing, and many more topics.

*For more information or to contact a researcher, please visit the [Local Policy (https://www.aceee.org/program/local-policy)](https://www.aceee.org/program/local-policy) research program.*

## WHAT WE ARE LEARNING

## Affordable Housing Needs More Support to Comply with Building Performance Standards

JANUARY 17, 2024

## Nobody Left Behind: Preliminary Review of Strategies to Support Affordable Housing...

JANUARY 17, 2024

## More States Are Cutting Energy Bills for Low-Income Households

DECEMBER 18, 2023

BLOG POST

## The Road Less Polluted: Electric Trucks Can Steer Us toward Environmental Justice

DECEMBER 11, 2023

BLOG POST

## Toolkit Shows How Energy Efficiency Programs Can Reach More Underserved Households

comply-building-performance-standards/)

NOVEMBER 30, 2023
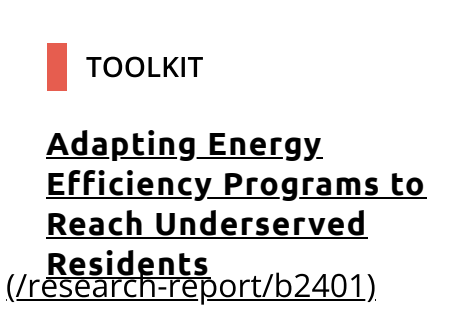
TOOLKIT

## Adapting Energy Efficiency Programs to Reach Underserved Residents
(/research-report/b2401)

Residential energy efficiency programs can make homes more comfortable and help households save money and energy. However, longstanding inequities ...

NOVEMBER 30, 2023

(/toolkit/2023/11/adapting-
energy-efficiency-programs

MEMO
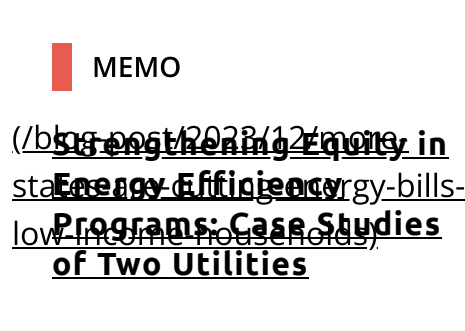
(/blog-post/2023/12/more-
## Strengthening Equity in states-are-cutting-energy-bills-
## Energy Efficiency low-income-households)
## Programs: Case Studies
## of Two Utilities

This memo discusses utilities' efforts to engage their communities in decision-making and improve language accessibility, based on their performance ...

OCTOBER 19, 2023

(/memo/2023/10/strengthening-
equity-energy-efficiency

BLOG POST

## Proactive Steps Needed to Reduce Burdens for Households Experiencing Energy Insecurity

OCTOBER 6, 2023

## JOIN THE CAUSE

# Help us reduce energy waste, protect the planet, and improve lives — for all.

**Donate**

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**ACEEE**

**SIGN UP FOR EMAILS (http://www2.aceee.org/l/310911/2017-08-25/24dj2)**

**Unsubscribe (/unsubscribe)**

**MEDIA INQUIRIES (/media)**

## SOCIAL PRESENCE

## HELPFUL TOOLS

### Smarter House
**(https://smarterhouse.org)**

Our guide on energy savings in the home.

### GreenerCars
**(https://greenercars.org)**

Find out how efficient your car is using our comprehensive rankings.

### State & Local Policy Database
**(https://database.aceee.org)**

State and city energy efficiency policies from around the country.

## ABOUT

The *American Council for an Energy-Efficient Economy* (ACEEE), a nonprofit research organization, develops policies to reduce energy waste and combat climate change. Its independent analysis advances investments, programs, and behaviors that use energy more effectively and help build an equitable clean energy future.

**View our (https://www.aceee.org/sites/default/f**

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**Energy Equity (https://www.aceee.org/topic/energy-equity)**
**Energy Affordability (https://www.aceee.org/topic-brief/energy-affordability)**

Platinum
Transparency
2023

Candid.

**(https://www.guidestar.org/profile/94-2711707)**

# Gatti, Dominic

**EXTERNAL SENDER: Do not open attachments or click on links unless you recognize and trust the sender.**

Hello Dominic

At the last week's meeting I had mentioned that other cities have done significant work to incorporate equity considerations in their respective Climate Action Plan. Please see summary from Portland, OR that highlights the process and some of the engagement, approach by the equity group with the technical group who designed the specific strategies.  Other city CAP's I have looked at who have spent significant efforts on the equity considerations are Boston, Montgomery County, MD and the city of Austin. See Austin's framework for equity considerations with example strategies for their CAP. Hope these reference are useful.

Also I came across a document outlining the framework for CHS for the state of MA, I think concepts outlined here are relevant to VT.
Please distribute to the group.

Best Regards
Sriram Srinivasan( Srini)

On Jan 9, 2024, at 4:51 PM, Gatti, Dominic <Dominic.Gatti@partner.vermont.gov> wrote:

Hello Equity Advisory Group members,

We look forward to seeing everyone this upcoming Thursday. The meeting will be held on GoTo Meeting (this link will take you to the meeting) at 1 pm on 1/11/24.

Attached to this email (and on the Clean Heat Standard website) are the preparatory materials for this week's meeting. They include documents requested by the group at the last meeting, materials for consideration by the group, and the draft agenda.

Please let us know if you have any trouble accessing the materials or have any administrative questions.

All the best,
Dominic Gatti

# CLIMATE ACTION
## THROUGH EQUITY
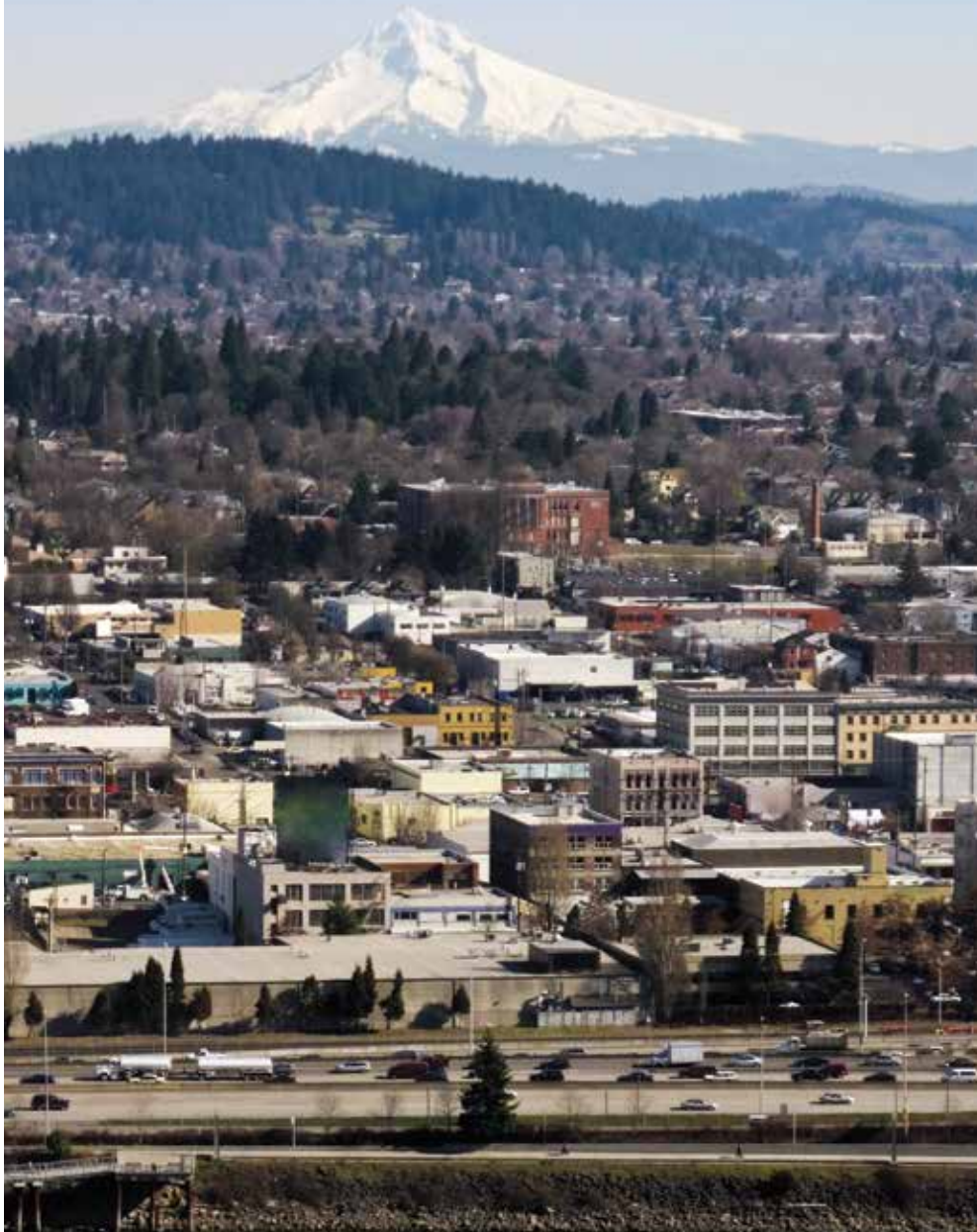
**The integration of equity in the Portland/ Multnomah County 2015 Climate Action Plan**

July 12, 2016

Multnomah County

# Lead Authors

Desiree Williams-Rajee, *City of Portland Bureau of Planning and Sustainability and Equity Working Group Co-coordinator*
Taren Evans, *City of Portland Bureau of Planning and Sustainability*

# Acknowledgments

The Bureau of Planning and Sustainability is committed to providing meaningful access. For accommodations, modifications, translation, interpretation or other services, please contact at 503-823-7700 or use City TTY 503-823-6868, or Oregon Relay Service: 711.

| Traducción o interpretación | Chuyển Ngữ hoặc Phiên Dịch | 翻译或传译 | Письменный или устный перевод | Traducere sau Interpretare |
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503-823-7700

# Our changing climate

## Two decades of climate action are delivering results

The City of Portland has long been a global leader in addressing climate change. In 1993, Portland became the first city in the United States to adopt a local plan to address climate change. Since then, while carbon emissions have increased nationally, Portland and Multnomah County have achieved significant declines in emissions. In 2014, total emissions were 21% below 1990 levels.
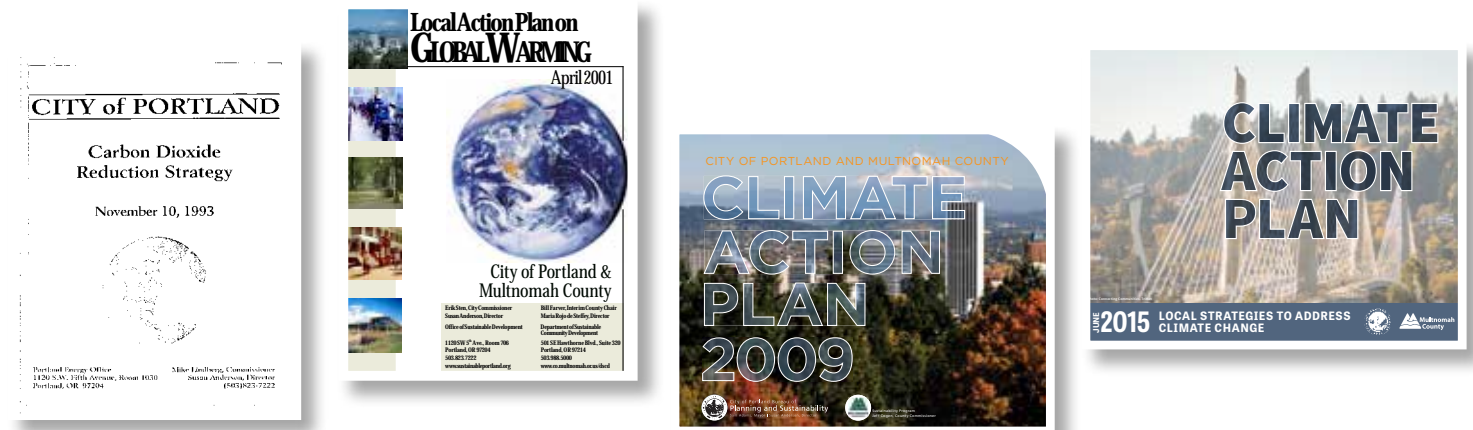
## But we still have a long way to go

As Portland increasingly contends with heat waves, droughts, flooding and other extreme weather events, awareness of the need to take action on climate change has grown, yet recognition of the connection between climate action and social equity has often been absent. The City of Portland and Multnomah County have a goal to reduce carbon emissions 80 percent from 1990 levels by 2050. In the face of projected population increases and changing demographics, the need for a more broad-based movement is apparent. Government action alone is not enough; everyone must be a part of the solution and all must benefit from the solutions created. Currently, however, not everyone has equitable opportunities to participate and benefit. The 2015 update to the Climate Action Plan seeks to remedy this.

The City of Portland and Multnomah County's prior climate action plans focused on reducing carbon emissions while lacking discussion of who benefits and who is burdened. The absence of such an assessment resulted in missed opportunities to share the co-benefits that can result from climate action efforts. Co-benefits are positive impacts other than carbon emissions reduction that occur as a result of climate change mitigation. Such positive impacts can include increased access to greenspace, more pedestrian and bike-friendly communities that encourage active transportation, and the creation of green jobs that can stimulate the local economy.

Furthermore, communities of color and low-income populations in Portland have been under-served by programs and investments and under-represented in decision making on climate policy. Lack of low-carbon, safe transportation options, inefficient housing and the inability to afford healthy food are examples of disparities experienced by these communities that result in fewer benefits from climate action opportunities.

These inequities primarily result from ongoing institutional racial bias and historical discriminatory practices that have resulted in the inequitable distribution of resources and access to opportunities.

> *Climate equity ensures the just distribution of the benefits of climate protection efforts and alleviates unequal burdens created by climate change. This requires intentional policies and projects that simultaneously address the effects of and the systems that perpetuate both climate change and inequity.*
>
> **2015 City of Portland and Multnomah County Climate Action Plan**

# Climate change impacts some people more than others

## Low-income populations and communities of color will be disproportionately impacted by climate change

Low-income populations and communities of color are more likely to live in areas with less greenspace and to be more vulnerable to heat-related and respiratory illnesses.

Low-income populations and communities of color are more likely to be impacted by extreme weather events that occur as a result of climate change. This is due to reduced access to key information and available programs and services as a result of language, cultural, or geographic barriers. For example, community members may be unaware of the existence of resources such as cooling centers that may be open during heatwaves due to materials not being translated or available in areas that they traditionally access community information. Service boundaries and language restrictions can provide additional barriers in accessing programs and services.

Carbon reduction strategies can exacerbate existing disparities unless there is an explicit equity focus. Communities are not all starting from the same place. Low-income populations and communities of color often have less access to healthy and energy efficient housing, transit, or safe bicycling and walking routes. Consequently, any strategies to reduce carbon emissions must seek to remedy these deficiencies.



*According to a 2014 report prepared for Green 2.0 that studied diversity in environmental organizations, a broadening of the movement must grow and embrace different perspectives to appeal to diverse communities.*

Source: diversegreen.org

# Mitigating for unintended consequences: investment and displacement

Successful implementation of the Climate Action Plan will include targeted investments, particularly in areas that have seen under-investment in the past. However, investment in some of these locations can be a catalyst for displacement. As areas gain amenities and become more desirable, property values rise and long-time residents who are no longer able to afford the area may be displaced.

This map shows that communities of color are growing in East Portland, an area of town that has less transit connectivity, sidewalks and other infrastructure. Many African-American residents have moved to East Portland from N/NE Portland over the past 20 years and have not benefited from the green investments that have taken place in their former inner neighborhoods. To address this, the 2015 Climate Action Plan emphasizes investing in people as well as infrastructure. Connecting community members with job opportunities that result from actions in the plan and providing training opportunities for local youth can build wealth and avoid displacement in communities.
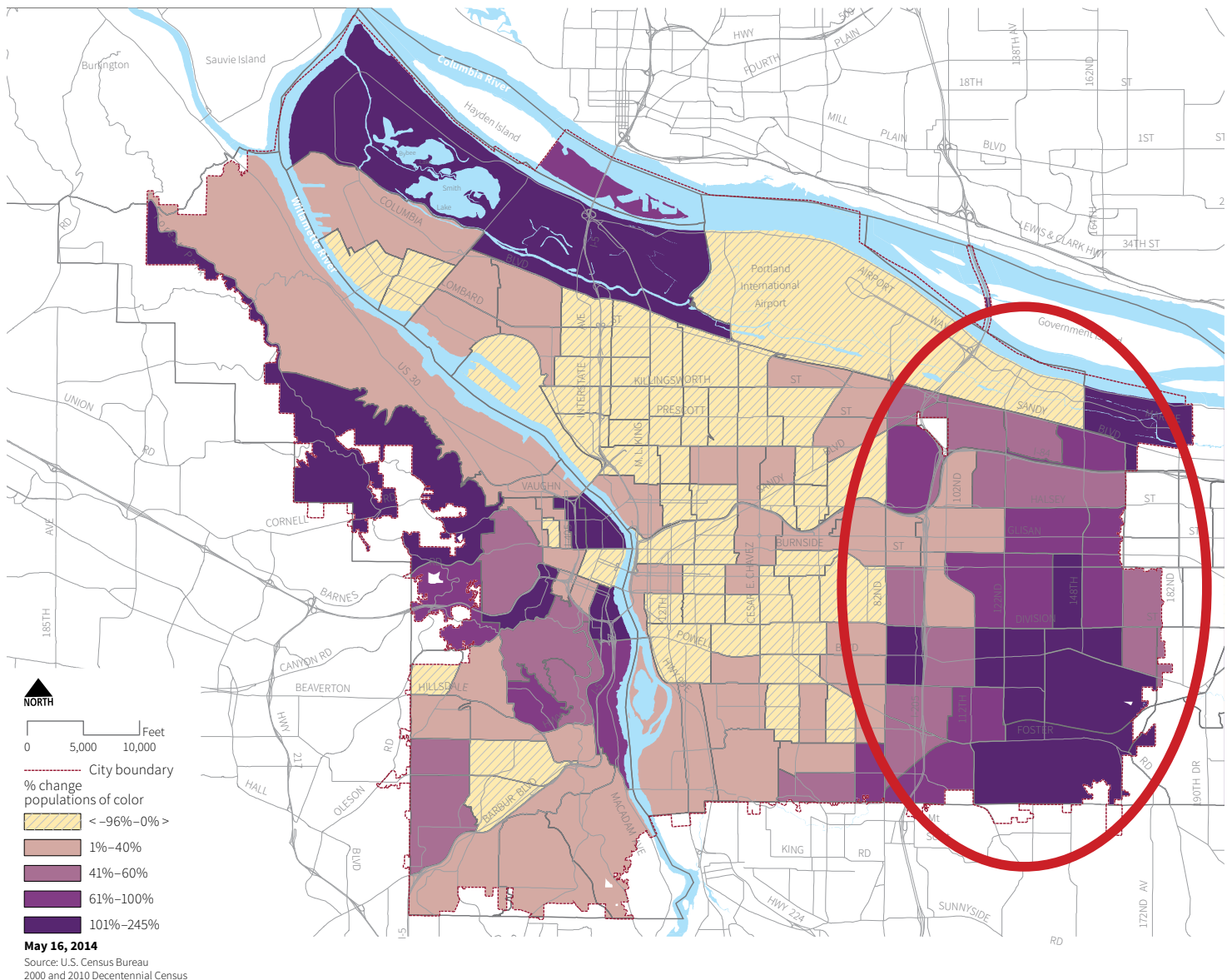


NORTH

Feet
0    5,000    10,000

- - - City boundary

% change populations of color

- < −96%−0% >
- 1%−40%
- 41%−60%
- 61%−100%
- 101%−245%

**May 16, 2014**
Source: U.S. Census Bureau
2000 and 2010 Decentennial Census

# Old problems require new thinking

Our vision for a climate-positive future cannot be achieved without advancing equitable outcomes and addressing existing disparities. These approaches must enlist a **targeted universalism** approach, where solutions begin with addressing the needs of those who are most vulnerable to climate change, or experiencing disparate outcomes. Doing so will produce benefits for everyone. For this reason, the 2015 Climate Action Plan used an equity lens that prioritized the needs of low-income communities and communities of color.

## How is equity integrated in the Climate Action Plan?

Equity played an integral role in all phases of the 2015 Climate Action Plan, including an intentional community engagement process that included the creation of an Equity Working Group made up of representatives from six community-based organizations representing the interests of low-income populations and communities of color. The insights and local knowledge that these groups provided was invaluable. This work resulted in a plan that is inclusive and recognizes the unique strengths that exist in communities.

Equity is featured from the guiding vision for the plan through the implementation stage. This intentional integration throughout the plan seeks to ensure that the Climate Action Plan is more than just words on paper, but a plan for inclusive accountable implementation.



Equity Working Group Meeting

## Vision

The City and the County's vision of equitable climate action is reflected throughout the plan's vision for 2050 for a prosperous, connected, healthy and resilient and equitable future. The 2050 vision specifically imagines a future where everyone has access to a walkable and bikeable neighborhood; employment and small business opportunities are led by and employing underserved and underrepresented communities; and communities of color and low-income populations are involved in the development and implementation of climate-related programs, policies and actions.

## Equity Commitments

The City and County are committed to equitably implementing the actions in the Climate Action Plan in ways that address health, safety and livability, access, prosperity and inclusive engagement.

## Actions

Strategies and actions to advance equity and reduce disparities are highlighted in the chapter narratives, as well as called out explicitly in several key actions. In addition, actions with a significant opportunity to advance equity are identified with an "E" icon.

## Equity Considerations

City and County staff incorporated key equity considerations in the implementation of the actions contained in the plan.

## Equity Implementation Guide

The Climate Action Plan Equity Implementation Guide provides support for City and County staff on best practices and tools for integrating equity into their work.

## Climate-Equity Metrics

The City and County will develop climate-equity metrics to track the degree to which equity considerations are integrated into the decision-making processes and implementation of the Climate Action Plan, and will report on progress in a transparent manner.

# Achieving equitable outcomes starts with new processes

## Portland Plan set the stage

The process to update the Climate Action Plan began shortly after the 2012 adoption of the Portland Plan, the City's strategic plan. The Portland Plan established an overarching equity framework that articulated the citywide need to prioritize racial equity and established an intentional action plan to work towards the elimination of racial and other disparities experienced in Portland. Borrowing from this framework, the Climate Action Plan prioritized the needs of communities of color and low-income populations in its approach to applying an equity lens. The Climate Action Plan equity project included three primary goals and project deliverables:

1. An updated Climate Action Plan that better integrates equity to maximize benefits and reduce barriers for communities of color and low-income populations.

2. A set of climate equity metrics that can be used and refined to track progress on 1) ensuring Portland's climate actions are more equitable, and 2) furthering equity goals as defined in the Portland Plan through climate actions.

3. A plan to continue to build relationships with diverse communities, and diverse membership within these communities, around climate change.

## Funding identified for community engagement

In 2013, the Portland Bureau of Planning and Sustainability received a grant from the Bullitt Foundation and Partners for Places, a partnership between the Funders' Network for Smart Growth and Livable Communities and the Urban Sustainability Directors Network, to support community engagement and equity integration into the 2015 Climate Action Plan.

- $5,000 for an equity scan of Portland's 2009 Climate Action Plan.[1]

- $5,000 for an equity intern to support staff.

- $20,000 for community engagement.

## Community invited to design community engagement process

The budget for community engagement was not enough to support a large engagement effort, but it did provide a unique funding opportunity. Community partners who had been part of the Portland Plan process and new partners who serve low-income populations and communities of color were invited to join staff in a preliminary meeting to design the community engagement process.[2]

**APRIL 2012**

Portland Plan adopted

**JANUARY 2013**

Portland awarded grant from the Bullitt Foundation and Partners for Places to support integration of equity in the 2015 Climate Action Plan (CAP)

**APRIL 2013**

Meeting with community members to design community engagement approach

## 2012        2013
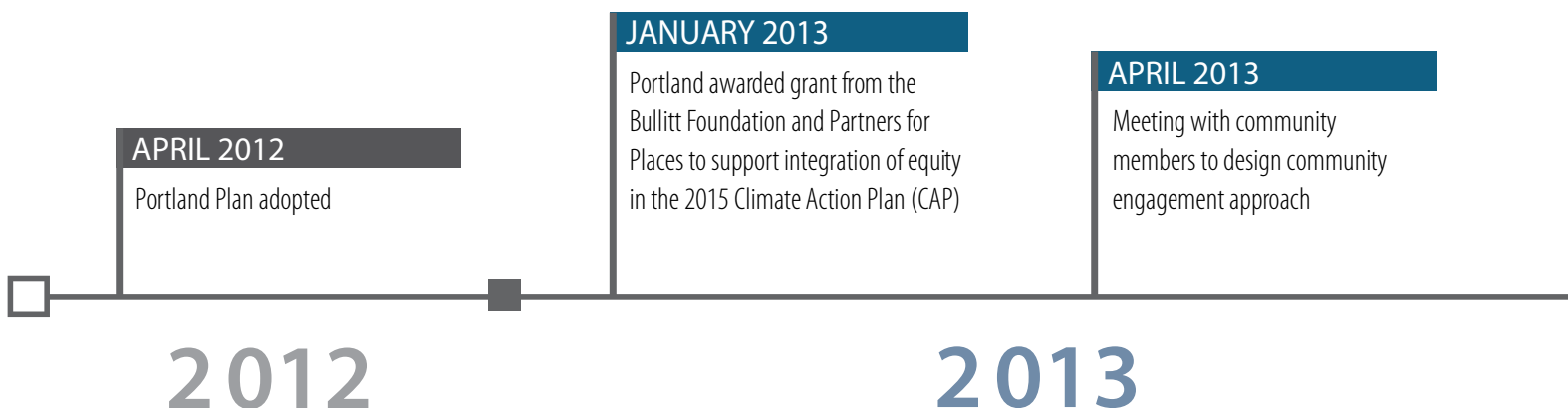
Participants explored what was meaningful and feasible to accomplish with $20,000 for community engagement. Feedback from that meeting included:

- Climate change is not a lead issue for most local community-based organizations, and engaging in this effort would be taking away from existing priorities. Having access to new funds could bring attention to the climate action effort.

- There is a need to attract new community leadership to the table. This process could be an opportunity to cultivate new leaders.

- This effort should be a partnership with staff and community members.

As a result of the meeting, a sub-grant process was established. Community organizations were invited to apply for a $4,000 grant to support an organizational representative to participate in the Climate Action Plan Equity Working Group.

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[1] The Equity Scan was performed by Dr. Greg Schrock, and Jamaal Green from Portland State University. This report can be found online at: http://www.portlandoregon.gov/bps/article/463573.

[2] The work of Center for Earth, Energy, and Democracy (CEED) and the staff of the City of Minneapolis in the development of the Minneapolis Climate Action Plan provided inspiration for a straw man proposal that was presented to the community in the meeting.

*"Although, environmental justice (EJ) communities have historically carried the burden and effects of climate change, funding CBOs and organizations of color to work on EJ issues is new because it's been vastly underfunded. Being on this project, I see the commitment to bring us to the table. I would like to see our perspectives and work materialize in the update of the plan to really highlight this funding model to identify and prioritize the engagement of EJ communities as common practice."*

**Demi Espinoza, Coalition of Communities of Color, Equity Working Group Member**

**JUNE 2013**

First meeting of the Equity Working Group

**JULY 2013**

Weekly meetings begin for the Equity Working Group to apply an equity lens to CAP actions

**AUGUST 2013**

Equity Working Group finalizes nine equity considerations for staff to use in conducting equity assessments of CAP actions

# 2013

## Organizations selected and form the Equity Working Group

Eight organizations applied, and five were initially awarded sub-grants. Because a sixth was identified as a strong candidate, Multnomah County, the City's partner in the Climate Action Plan, contributed an additional $4,000. Verde, a community partner that is focused on sustainable economic development within the Latino community participated in the process as a grant reviewer. The Equity Working Group community membership consisted of representatives from Groundwork Portland, Upstream Public Health, the Coalition of Communities of Color, OPAL Environmental Justice Oregon, Wisdom Council of the Elders and the Asian Pacific American Network of Oregon (APANO).

Members of the Climate Action Plan Steering Committee were also invited to participate in the Equity Working Group. Their role was to facilitate cross-over communication between the two groups and facilitate the advocacy of policy ideas from a non-staff perspective. To bring in professional perspectives on planning, community engagement and public health, staff from the Bureau of Planning and Sustainability and Multnomah County Health Department also joined the Equity Working Group.

## Effective partnership requires a common vocabulary and shared goals

The Equity Working Group began work in June 2013 with a two-part orientation. The first meeting focused on getting to know the participants and staff, as well as establishing shared understanding of the working group's role and the expected outcomes. Because participants were not expected to have a background in climate change, staff provided an overview of both the scientific context and the policy framework for large-scale carbon emission reduction. The second meeting was focused on developing a shared concept of "equity." For this, the group enlisted the help of a tool developed by Multnomah County, the 4-P Analysis, which helps groups develop their own equity lens for a particular policy issue.

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[3] The analysis is now called the 5-P Analysis and is available at https://multco.us/diversity-equity/equity-and-empowerment-lens.

---

**OCTOBER 2013**

Equity Working Group reviews updated actions for recommendation to CAP Steering Committee

**FEBRUARY 2014**

Equity Working Group sub-grant fund period ends, members commit to stay on voluntarily

**JUNE 2014**

Staff complete first draft of Climate Action Plan

## 2013

## 2014
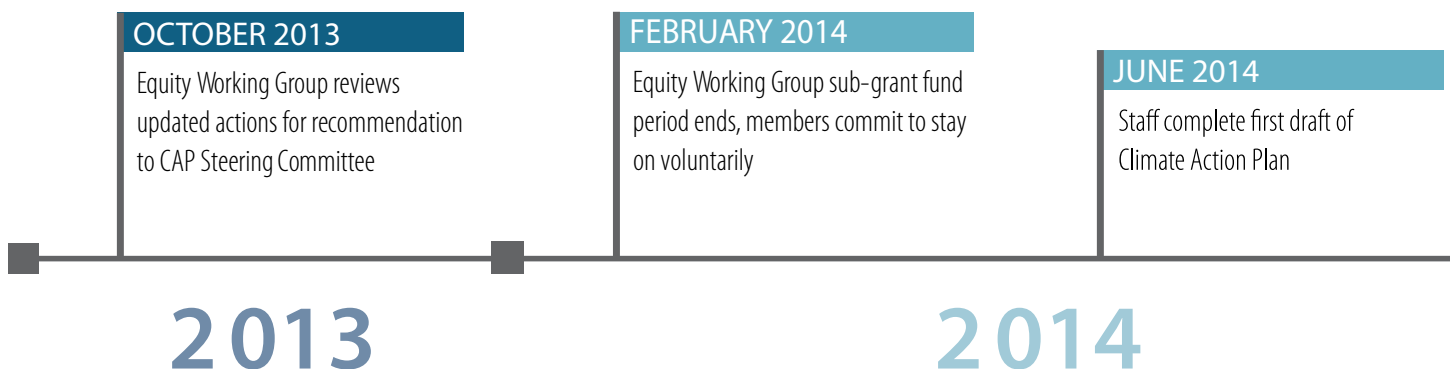
## Best laid plans go astray

Initially, each chapter (e.g., energy, transportation, solid waste, etc.) of the draft Climate Action Plan was presented to the Equity Working Group via a conference call. Participants were then given a worksheet outlining all of the proposed climate actions for that chapter and were asked to identify the equity implications of each action (e.g., benefits, burdens, unintended consequences). The following week the completed worksheets were due at the in-person meeting where Equity Working Group members were asked to share their feedback directly with the City and County staff that had authored that chapter. This process was to be repeated every two weeks until all nine chapters of the draft Climate Action Plan had been assessed.

Project staff checked in weekly with the grantee organizations to get feedback on the process. A month into the process staff learned that Equity Working Group members found this approach to be constraining the creativity of the group and creating an imbalanced power dynamic between chapter authors (staff) and grantee organizations (community). So, based on this feedback, staff changed the entire meeting process and structure.

To foster better dialogue, the in-person meetings were scheduled first and used to introduce a topic and to create the opportunity for the grantees to share relevant experiences from their community related to the topic area. Only then did participants review the actions and ask follow-up questions of staff. Participants were given an additional week (per chapter)

to review the proposed actions in more detail and provide additional feedback in writing and during a conference call.

The process changed from grantees being tasked with identifying the equity implications of an action such as "adopting context sensitive street design standards for residential streets" to being asked "what are the transportation related challenges and opportunities in your communities," and tasking staff with figuring out how the group's feedback should inform street design standards.

This group process change was sizable and required more time for a project that was already behind schedule. But the time and effort was worth it as it ultimately ensured the process was both accessible and meaningful for all participants.

> *"I found the responsiveness of staff to issues around process to be commendable. It actually shifted the group from being constrained by existing silos and processes of government to a more broad conversation of 'what kind of outcomes/shifts/ changes do we want to see?' and then have the government process fundamentally change the way it approaches the solutions to those problems."*
>
> **Vivian Satterfield, OPAL Environmental Justice Oregon, Equity Working Group Member**

**SPRING 2015**

Public comment period for the Climate Action Plan

**JUNE 2015**

Portland and Multnomah County Climate Action Plan adopted by City Council and County Board of Commissioners

**2016**

Equity Implementation Guide published

**2015**

**2016**

## Feedback was molded into 9 equity considerations

Staff summarized the feedback from these work sessions and finalized them after review by the Equity Working Group. (See Equity Considerations text box for more details).

Staff then used the Equity Considerations to conduct a basic equity assessment of every action proposed in the draft Climate Action Plan. Actions were revised based on that assessment and the updated actions were shared with the Equity Working Group to determine if their feedback had been adequately integrated.

*"For the community-based grantees, we learned how to better navigate the government bureaucracy while developing our own internal leadership around the issues of climate change. This small investment in our organizations had great returns in terms of building new capacity within various groups that are often ignored in the civic process due to cultural or language barriers. Moving forward, this grant could be a great model for future meaningful community engagement in a policy making process."*

**Duncan Hwang, Asian Pacific American Network of Oregon (APANO), Equity Working Group Member**

## EQUITY CONSIDERATIONS

### 1. Disproportionate impacts

Does the proposed action generate burdens (including costs), either directly or indirectly, to communities of color or low-income populations? If yes, are there opportunities to mitigate these impacts?

### 2. Shared benefits

Can the benefits of the proposed action be targeted in progressive ways to reduce historical or current disparities?

### 3. Accessibility

Are the benefits of the proposed action broadly accessible to households and businesses throughout the community — particularly communities of color, low-income populations, and minority, women and emerging small businesses?

### 4. Engagement

Does the proposed action engage and empower communities of color and low-income populations in a meaningful, authentic and culturally appropriate manner?

### 5. Capacity building

Does the proposed action help build community capacity through funding, an expanded knowledge base or other resources?

### 6. Alignment and partnership

Does the proposed action align with and support existing communities of color and low-income population priorities, creating an opportunity to leverage resources and build collaborative partnerships?

### 7. Relationship building

Does the proposed action help foster the building of effective, long-term relationships and trust between diverse communities and local government?

### 8. Economic opportunity and staff diversity

Does the proposed action support communities of color and low-income populations through workforce development, contracting opportunities or the increased diversity of city and county staff?

### 9. Accountability

Does the proposed action have appropriate accountability mechanisms to ensure that communities of color, low-income populations, or other vulnerable communities will equitably benefit and not be disproportionately harmed?

## How actions are implemented is critical to achieving more equitable outcomes

During the process, the Equity Working Group provided considerable feedback about how to implement actions. Their feedback was rich in content but difficult to place in a policy document. This eventually resulted in the development of an Equity Implementation Guide, a companion document to the Climate Action Plan that captures the specific recommendations as well as an overall approach to incorporating equity as actions are implemented. The guide serves as a tool for building staff capacity to effectively implement the policy guidance in the Climate Action Plan.

## Building partnerships for the long haul

The committee initially set a timeline to complete the Equity Working Group process within three months and to draft the Climate Action Plan update by the end of 2013. It became clear that effectively incorporating equity into the plan would require more time. When the Equity Working Group finished its meetings in October 2013, it had provided staff with feedback on the chapters and actions, but also a direction for integrating equity throughout the content. Staff set to work on developing the rest of the content of the *Climate Action Plan*, but this process took longer than anticipated.

The grant fund period ended in February 2014, which meant that the Equity Working Group process would end before the Climate Action Plan was completed. At the closing meeting, all organizations that had participated expressed a willingness to continue in a partner role to advise on the content and process even though continued funding was not available. To respect the time of the organizations, they no longer met regularly but were instead reconvened at key times to review the recommended draft and then later the proposed draft of the plan.

When the 2015 Climate Action Plan was ready for adoption, Equity Working Group members testified at Portland City Council and the County Board of Commissioners to communicate the importance of the process, the value of integrating equity into the Climate Action Plan, and the need for public agencies to hold themselves accountable to communities most vulnerable to the effects of climate change through an ongoing commitment to measure progress.

*"I believe again the other notable success was having that nine point action statement around equity issues. I think that's very great and I think that as I deal with folks in the community I look forward to sharing that with them just as part of the thing that the city is trying to do as far as bringing citizens in. I personally think that's a great statement in itself and really a nice kind of big picture thing to look forward to and I look forward to just kind of educating folks about some of those issues."*

**Les Shannon, Groundwork Portland, Equity Working Group Member**

# Sharing the lessons we learned

**Meeting the needs of participants.** Learning to recognize and meet the needs of participants was an important component of the process. Rather than strict adherence to a predetermined process, flexibility regarding the form, content and logistics of the engagement was necessary. Notable modifications to the process include:

- Meetings were moved from a downtown location to a more convenient location for Equity Working Group members.

- Printed handouts were provided rather than electronic files.

- Meeting agendas were restructured to foster more productive discussions by focusing on the experience and wisdom of members instead of line item feedback on each action.

- Separate meetings were organized with individual Equity Working Group members to solicit feedback if schedule conflicts prohibited their attendance at the regular meeting.

- The timeline was extended several times to allow time to cover more complex topics.

**Facilitating with awareness of power and privilege.** Creating a space of mutual learning requires intentional creation of space that acknowledges the inherent power dynamics between community members and government employees, people of color and white people, and socio-economic class differences. Some of the tactics used included creating and reinforcing ground rules, prepping staff for what to expect before coming to Equity Working Group meetings, and frequent one-on-one check-ins with the Equity Working Group participants.

**Building capacity and relationships.** Successful integration of equity issues into climate planning requires the development of new relationships between staff and community. City and County staff provided technical and logistical support throughout the process to facilitate learning by both staff and organization representatives. For example, the Equity Working Group orientation included an introduction to climate change and an exploration of equity and social justice language to begin building a bridge and shared goals between staff and community representatives and to honor the collective wisdom and experience in the room. Later, Equity Working Group members invited City and County staff to their organizations to meet with and further develop relationships within their communities.

*"I felt genuinely valued as a community partner. I also thought that the city staff were very responsive and bent over backwards to accommodate us. I was very impressed by that.*

*I wish the timeline had been a little less tight. With more time, I might have enjoyed engaging in some more dialogue and learning with city staff and grant partners about some of the ideas that came out of the process."*

**Claudia Arana Colen, Upstream Public Health, Equity Working Group Member**

**Funding matters.** All organizations reported the importance of funding, and for some it was the decisive factor that made it possible for them to participate.

**Implementation and metrics.** Through discussions with the Equity Working Group it became clear that the potential equity implications (positive or negative) of a given Climate Action Plan action had more to do with how that action was implemented than the action itself. For example, the Climate Action Plan action to plant more trees does not necessarily have equity implications, but decisions about where those trees are planted and who is planting those trees do.

Community members also identified the importance of "being able to see the needle move toward equity outcomes." This proved difficult to solve for within the update period of the plan. The Equity Implementation Guide provides a framework for measuring equity in the implementation of actions, but staff were not able to develop equity indicators or metrics during the planning period. Instead, this became an action of the plan.

**This work takes time.** The original timeline anticipated completing the update of the Climate Action Plan by the end of 2013. The Equity Working Group, along with City and County staff, worked rigorously from May to October 2013 to complete their initial equity review of the proposed actions for the updated plan. Coordination of the multiple components of the update project, including the significant overhaul of the previous plan to integrate equity (as well as other key topics like consumption and climate preparation) resulted in extending the overall project timeline considerably. The updated Climate Action Plan was adopted in June 2015.



*" As a result of the grant, my organization had the opportunity to share our community's concerns and questions dealing with climate change and to understand how the Climate Action Plan may impact/benefit our community. This grant gave us the funds to have our staff on the Equity Committee, justifying our involvement and time on the Climate Action Plan with our board. As well, these meetings were a great opportunity for our organization to connect and partner with other communities on environmental, climate, and health issues."*

**Amanda Kelley-Lopez, Wisdom of the Elders, Equity Working Group Member**

# Outcomes

## Meaningful partnerships continued beyond the project period

The final 2015 Climate Action Plan update was not completed within the grant period, but the organizations that participated in the Equity Working Group remained engaged with the project beyond the grant period, with several Equity Working Group members testifying before City Council in support of the plan's adoption.

## Catalyst for further work

As an outcome of relationships built during this project, Wisdom of the Elders is working to create a Native American Tribal Council on Climate Change. The Asian Pacific American Network of Oregon (APANO) hired a full-time staff person to build out a new program to work on climate change and climate resilience following their experience with the Equity Working Group. Another initiative, informed by the experience of working on this project, was a joint effort by the Coalition of Communities of Color, Verde and the Oregon Environmental Council to begin a process of building relationships between leadership of organizations focused on equity and organizations focused on environmental issues. This effort held its first gathering in February 2014 with participation from many of the organizations involved in this grant, including the Bullitt Foundation and the City of Portland Bureau of Planning and Sustainability, both project funders.

## Catalyst for City and County learning

The process proved invaluable for City and County staff involved. Many staff members noted that attending Equity Working Group meetings and hearing community concerns enabled them to see their work differently and better understand its equity implications. This resulted in rethinking actions and modifying them accordingly. The process highlighted that while City and County staff have expertise, there is also tremendous knowledge and expertise at the community level. This model of engagement can be replicated to foster mutual learning.

> *"I personally feel more committed to environmental and climate changes issues. I benefited from being at the table with my peers to learn about how this issue affects their community. We are prioritizing environmental justice in our organization and hope that we can build more partnerships with community-based organizations and government in the future."*
>
> Demi Espinoza, Coalition of Communities of Color,
> Equity Working Group Member

# New Actions for a Better Plan

**City and County staff, with guidance from the Equity Working Group, incorporated equity throughout the plan. A few specific examples are outlined below:**

**New 2030 Objectives:**

- **17)** Engage communities, especially impacted under-represented and under-served populations, in the development and implementation of climate change-related policies and programs. (Page 120)

- **20)** Build City and County staff and community capacity to ensure effective implementation and equitable outcomes of climate action efforts. (Page 133)

**Added specificity to how actions are implemented:**

- **1G)** Small Commercial – Support energy efficiency improvements to small commercial buildings, especially in under-served communities. (Page 64)

- **3C)** Community Solar – Support the development of community solar projects that benefit all residents, particularly communities of color and low-income populations. (Page 68)

- **4Q)** Affordable Housing Access to Transit – Use regulatory and voluntary tools to promote affordable and accessible housing development along…transit routes and in opportunity areas. (Page 81)

- **4EE)** Car Sharing – Partner with car sharing companies ... Consider programs to expand use of car sharing among low-income households. (Page 82)

- **13A)** Tree Programs – Continue tree planting and expand tree preservation and maintenance programs and incentives. Focus on low-canopy neighborhoods and neighborhoods with populations at higher risk of adverse outcomes of urban heat island effects. (Page 104)

- **13B)** Canopy Targets – Revisit urban forest canopy targets: Take into consideration ... equitable distribution of tree-related benefits across the city.  (Page 104)

- **17A)** Alignment with Community – Identify and seek resources to support community-based initiatives, especially from low-income areas and communities of color, that align with climate change preparation priorities, carbon emission reduction efforts and low-carbon lifestyles. (Page 120)

- **20D**) Workforce Development – Create cross-bureau initiatives… to strengthen the capacity of firms owned by people of color and nonprofits serving underrepresented and under-served adults and youth to help implement Plan actions. (Page 133)

- **20E)** Career Development – Maximize career development opportunities, especially for low-income populations, communities of color and youth, in the fields of energy, green building, transportation, etc... (Page 133)

- **20L)** Metrics – Develop comprehensive qualitative climate action metrics to measure progress…that incorporate an evaluation of benefits and burdens to low-income populations and communities of color. (Page 134)

# Frequently asked questions

**1. What was the equity scan and how was it used to support the work of equity integration? Was it duplicative to the work of the Equity Working Group?**

The City of Portland hired Greg Schrock, a professor at Portland State University's Toulan School of Urban Planning, to perform the equity assessment of the 2009 Climate Action Plan. This became known as the equity scan and its purpose was to identify gaps and missed opportunities in addressing equity in the City's previous climate plan, to research best practices from around the country and to develop equity metrics recommendations. Dr. Schrock, along with his research assistant Jamaal Green, produced the report and met with staff at length to share their findings and discuss opportunities to better integrate equity into the 2015 plan.

It was not duplicative to the Equity Working Group as their work was about the experience of the community. The Equity Scan provided a comparative analysis, and became a helpful tool for both staff and community members in their application of an equity lens.

**2. How will the Climate Action Plan Equity Implementation Guide be used?**

The Climate Action Plan has over 150 actions, but not every action is built the same. The manner in which an equity lens is applied varies depending on the type of action. Whether the nature of an action is regulatory, programmatic, policy or an investment shifts the questions staff should ask in applying an equity analysis to their climate work. Programs need to understand who is being served, while regulations should equitably distribute the burdens and benefits—intentional and unintentional—on various communities. This approach helped to structure the Equity Implementation Guide, which is intended to support staff in applying an equity lens. The nine equity considerations were condensed into six objectives that will be assessed in the Climate Action Plan annual progress report. The Equity Implementation Guide is scheduled to be released summer 2016.

**3. How were you able to pay community members to participate in an advisory process? Did participants need to have a minimum set of qualifications? Was there a job description?**

The City of Portland awarded subgrants from the Bullitt Foundation. The funds were provided to organizations and not individuals. Each organization signed a grant agreement which provided guidance, but did not restrict how funds could be spent to support an organization's involvement in the Equity Working Group. The Equity Working Group was not regarded as an advisory process, but rather a panel of paid community experts working in partnership with government staff on a project. The grant agreement outlined expectations for the participant, the organization, as well as government staff.

Each organization was responsible to identify a representative that would meet specific qualifications as outlined in the terms of the grant agreement. Representatives varied across the participating organizations and included a board member, an intern, program staff and an executive director.

**4. Why didn't you have the Equity Working Group members participate as part of the Steering Committee?**

Equity Working Group members did participate in Steering Committee meetings and vice versa, however they were managed as two separate processes to ensure the development of a focused work environment for grantee organizations. This was important as the Equity Working Group's task was more intensive in both timeline and topic than the 2015 Climate Action Plan Steering Committee, which had a more general focus.

# Creating opportunities is the essential first step

This project enabled the City of Portland and Multnomah County to establish relationships and identify strategies to target climate action efforts that will help 1) achieve equity goals, and 2) reduce existing disparities facing communities of color and low-income households. Importantly, this project has established or strengthened relationships with diverse community organizations that are already generating positive impacts.

Creating the space, time and trust to identify shared interests and opportunities for mutual benefit has proven to be of immeasurable value. The reason that equity is an issue today is that past decisions, deliberate or not, created deep inequities in Portland and nearly every city in the country.

An essential step to addressing these inequities is to create opportunities for the people most impacted to be at the table for today's decisions. That can happen only if policymakers and members of impacted communities know each other and trust each other. This project has made a small but important contribution to that effort.

# Additional information

*Visit:*

www.portlandoregon.gov/bps/cap

*Or e-mail:*

climate@portlandoregon.gov

# Why Equity and Climate

It is a local necessity and has become part of the national conversation

Every technology / policy action requires people to implement / act

Engaging with communities of color brings wisdom and lived expertise to solve societal problems "experts" haven't solved yet

The same systems that exploit the environment also exploit people and animals, we need to change the systems

If we create solutions for those who need it most and can benefit the most, it will work for everyone

If we don't include everyone in the community in our solutions, we will never reach the scale that's necessary to solve this problem

**If we're not proactively addressing equity, we're perpetuating injustice**

# Commitment: Climate Justice

## Climate Change

**Eliminate the use of fossil fuels for energy and transportation.**

- Energy efficiency
- Renewable energy
- Less dependence on cars
- Electric Vehicles
- More Trees and Nature
- Healthier consumer choices

## Racial Equity

**Eliminate disparities that can be predicted by race.**

- Safety for all at all times
- No disproportionate economic outcomes
- Fair access to services for all
- Inclusive participation in our city
- Positive health outcomes for all
- Embrace culture and difference

Health

Affordability

Accessibility

Just Transition

Cultural Preservation

Community Capacity

Accountability

# Our Climate Equity Commitment

**Racial equity is the condition when race no longer predicts a person's quality of life outcomes in our community.**
The City of Austin Climate Plan Revision Process recognizes that racial inequity is wrong and solving climate change is impossible without racial equity. In Austin, this means our Climate Plan Revision Process will only succeed if we center racial equity in the goals, strategies, and plans developed through the Revision Process. We realize that City of Austin infrastructure, policies, and investment have historically and systemically neglected and harmed low-income communities and communities of color. The City acknowledges these injustices and the need to right these wrongs by changing its institutions and creating a culture of equity. We recognize:

- Low-income communities and communities of color are the most impacted by extreme weather, and climate change will worsen existing harms and challenges.
- Low-income communities and communities of color must be prioritized to receive the disproportionate benefits of the transition to a pollution-free society.
- If we design and implement programs to serve low-income communities and communities of color, we will positively impact all residents in the Austin area.

Because of this, we have created the following themes and associated Equity Tool with Screening Questions to ensure our climate plan will increase racial equity: Health, Affordability, Accessibility, Just Transition, Community Capacity, Cultural Preservation & Accountability.

# Objectives

**Health** - Strategy improves health (physical and mental) outcomes for low-income communities and communities of color. The strategy upholds the fundamental human right to clean, healthy and adequate air, water, land, food, education, transportation, safety, and housing.

**Affordability** - Strategy lowers and stabilizes costs related to basic living needs (housing, food, utilities, healthcare, transportation, etc.) for low-income communities and communities of color.

**Accessibility** - Strategy increases access to jobs, housing, transportation, funding, education, healthy foods, and a clean environment for low-income communities and communities of color. Strategy removes barriers through city infrastructure, policy, and investments.

**Just Transition** - Strategy ensures economic justice so that low-income communities and communities of color are prioritized in the benefits of the strategy and are protected from any potential negative consequences.

**Community Capacity** - Strategy elevates the voices of low-income communities and communities of color by developing and strengthening the skills, abilities, and resources that a community needs to survive, adapt, and thrive.

**Cultural Preservation -** Strategy deliberately and respectfully honors cultural relevance and history to maintain cultural heritage from the past and present for the benefit of all generations.

**Accountability** - Strategy ensures that low-income communities and communities of color can hold governments and institutions accountable for equitable implementation.

# Recommended process for advisory groups

Please refer to the following 6 steps for building racial equity, adapted from GARE, as you develop goals and strategies:

**1**

**What is the history?**
- Where are the inequities? Maps, data, stories
- Research the history of racial injustice relevant to this strategy to better understand the root causes Purpose: Inform/change the analyst's historical frame of reference.

**2**

**What does the data tell us?**
- Disaggregation by race, income and location (Research and collect data on racial disparities and identify those most impacted). Purposes: Change the information informing the proposal to identify disparities and those most impacted.

**3**

**What is the proposed goal?**
- Does it include a climate and equity component?

**4**

**Develop Strategies**
- How would we achieve this goal with history and disaggregated data in mind?
- Who will own this strategy, who needs to participate, and what are the costs and benefits?
- If the strategy is completely successful, does it achieve its goal?

**5b**

**Review and revise** proposed strategies taking an iterative process. Add companion strategies as needed.

**5**

**Analyze strategies with the Equity Tool**
- Does it meet our values?
- Answer the questions and analyze results
- Review and revise as necessary

**6**

**Implementation**
- How do we ensure accountability?
- How do we communicate results?

# Questions

Evaluating responses: through scores or criteria

+, -, 0 (positive impact, negative impact, neutral or not applicable)

- No negative scores will be accepted, will have to revise
- Score all the questions, discuss
- End with an assessment of 0+ score for all 7 themes (improving conditions)
- Could scores be used later to prioritize or stack the goals/strategies against each other?

**Overall objective:** Have participants ask better questions and to consider more detailed goals/strategies that can increase equity.

| Theme 1: Health Strategy improves health (physical and mental) outcomes for low-income communities and communities of color. The strategy upholds the fundamental human right to clean, healthy and adequate air, water, land, food, education, transportation, safety, and housing. | Impact | | |
|---|---|---|---|
| | Harm -1 | Neutral or N/A | Benefit +1 |
| Does the proposed action reduce air pollution (Ozone, VOC, NOx, etc.) and reduce asthma and other respiratory-related hospital visits? | | | |
| Does the proposed action extend expected longevity and/or quality of life for populations experiencing health disparities? | | | |
| Does the proposed action reduce stress, anxiety, and depression, i.e. improve mental health? | | | |
| Does the proposed action help restore or protect ecosystem health (air, land, water, soil)? | | | |
| Overall response to these questions with justification: | | | |

| **Theme 2: Affordability** Strategy lowers and stabilizes costs related to basic living needs (housing, food, utilities, healthcare, transportation, etc.) for low-income communities and communities of color. | Impact | | |
| --- | --- | --- | --- |
| | Harm -1 | Neutral or N/A | Benefit +1 |
| Could this limit the displacement of residents and small businesses when surrounding property values rise? | | | |
| Is the proposed action affordable to all residents, and/or does this offer inclusive financing strategies that prioritize the most income-burdened populations? (be specific about whether you're financing through an organization or the city, etc) | | | |
| Does the proposed action reduce cost burden and the number of families that are cost-burdened by housing (including utilities), transportation (defined as spending more than 33% of income on H+T)? | | | |
| Does the proposed action generate burdens (including financial, health costs), either directly or indirectly, to communities of color or low-income populations? If yes, are there opportunities to mitigate these impacts? | | | |
| Overall response to these questions with justification: | | | |

| **Theme 3: Accessibility** Strategy increases access to jobs, housing, transportation, funding, education, healthy foods, and a clean environment for low-income communities and communities of color. Strategy removes barriers through city infrastructure, policy, and investments. | Impact | | |
|---|---|---|---|
| | Harm -1 | Neutral or N/A | Benefit +1 |
| Does the proposed action expand access to healthy/clean transport systems, such as walking paths, bike routes, and public transit in order to access essential services (hospital, school), amenities, and/or jobs? | | | |
| Does the proposed action improve amenities and essential services in traditionally underserved geographies/neighborhoods? essential services: hospitals, schools, and groceries Amenities: parks / green spaces | | | |
| Does the proposed action increase equitable access to information/education around climate, i.e. impacts, benefits, and programs? | | | |
| Does the proposed action remove any barriers that might prevent individuals in low income communities and communities of color *(consider language, gender, socio-economic status (SES), digital inequality, LGBTQ status, (dis)ability, employment status, immigration status, education level, geography, environment, religious beliefs, culture, history of incarceration, etc.)* from benefiting fully if this strategy were implemented as written? | | | |
| Overall response to these questions with justification: | | | |

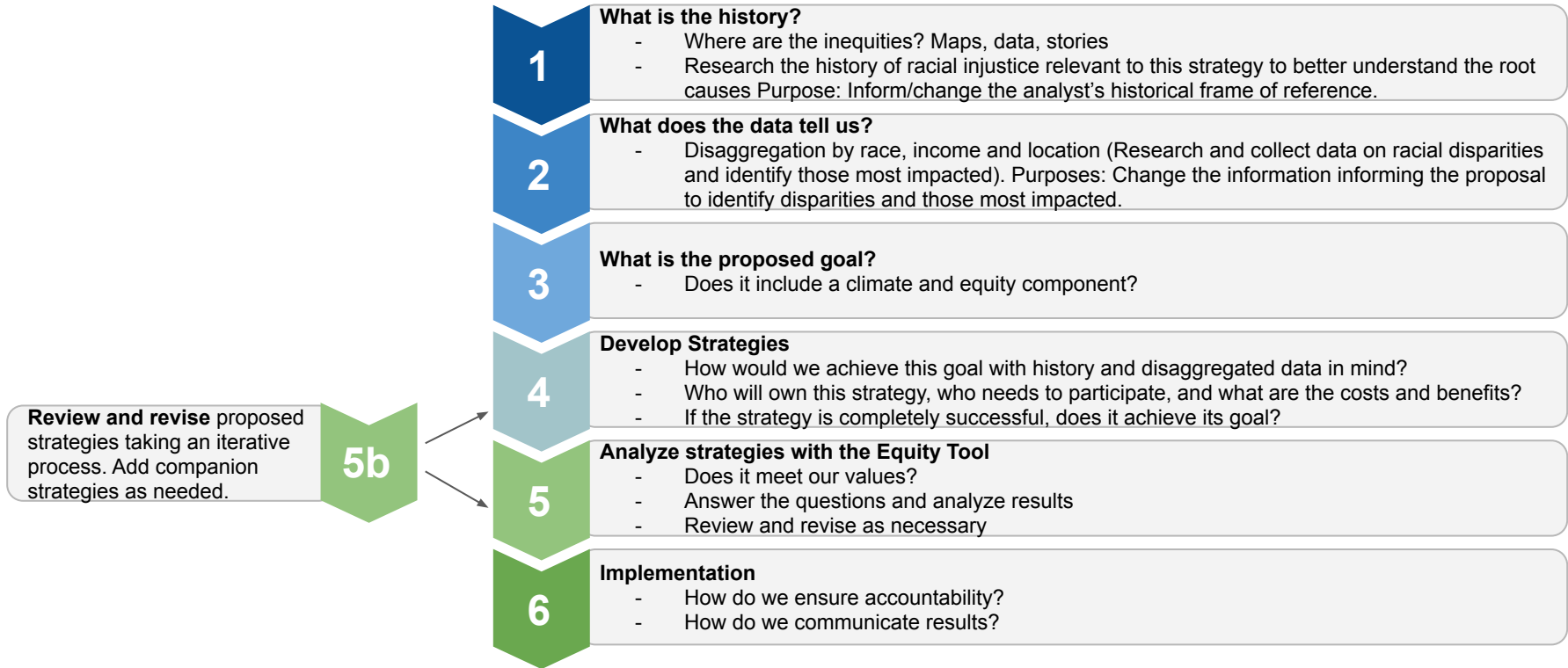| **Theme 4: Just Transition** Strategy ensures economic justice so that low-income communities and communities of color are prioritized in the benefits of the strategy and are protected from any potential negative consequences. | Impact | | |
| --- | --- | --- | --- |
| | Harm -1 | Neutral or N/A | Benefit +1 |
| Does the proposed action support communities of color and low-income populations through workforce development, contracting opportunities or the increased diversity of city staff? *internal* or support training programs prioritizing low-income communities and communities of color? *external* | | | |
| Does the proposed action create local opportunities for livable wage jobs for low-income communities and communities of color? | | | |
| Does the proposed action place responsibility on institutions to address historical disparities in contributing to climate change? | | | |
| Overall response to these questions with justification: | | | |

| **Theme 5: Community Capacity** Strategy elevates the voices of low-income communities and communities of color by developing and strengthening the skills, abilities, and resources that a community needs to survive, adapt, and thrive. | Impact | | |
|---|---|---|---|
| | Harm -1 | Neutral or N/A | Benefit +1 |
| Does the proposed action engage and continue to empower communities of color and low-income populations in a meaningful, authentic and culturally appropriate manner? Does it respect community-based knowledge and is it based on community identified needs and input/feedback? | | | |
| Does the proposed action help build community capacity through funding, educational opportunities, and/or other resources? | | | |
| Does the proposed action help foster the building of effective, long-term relationships and trust between diverse communities and local government? (by leveraging resources and building collaborative partnerships) Does this action strengthen community relationships and partnerships? | | | |
| Overall response to these questions with justification: | | | |

| **Theme 6: Accountability** Strategy ensures that low-income communities and communities of color can hold governments and institutions accountable for equitable implementation. | Impact | | |
|---|---|---|---|
| | Harm -1 | Neutral or N/A | Benefit +1 |
| Does the proposed action have provisions to ensure ongoing collection of data (that can be disaggregated by race/ethnicity/income) and public reporting of data? Can this data be validated qualitatively by community members? | | | |
| Does the proposed action have clear markers of short-term and long-term success as well as timelines for meeting markers of success? If so, what are the mechanisms we will utilize to ensure that goals are met (successful implementation and enforcement)? | | | |
| Does the proposed action address consequences if goals are not met? Is there a process for those impacted by the policy to express grievances or satisfaction and to ensure that concerns are met? | | | |
| Is the proposed action adequately funded to achieve its designed goals? | | | |
| Overall response to these questions with justification: | | | |

| Theme 7: Cultural Preservation Strategy deliberately and respectfully honors cultural relevance and history to maintain cultural heritage from the past and present for the benefit of all generations. | Impact | | |
|---|---|---|---|
| | Harm -1 | Neutral or N/A | Benefit +1 |
| Does the proposed action acknowledge/respect/honor the culture, historic assets, and traditions of low income and communities of color? | | | |
| Does the proposed action improve social cohesion (engagement and connection within/to the community) among low income communities and communities of color? | | | |
| Does the proposed action's decision-making processes go beyond dollars and cents to address shared values and cultural differences in order to support implementation? | | | |
| Overall response to these questions with justification: | | | |

# Scoring

| | Impact Score |
|---|---|
| Health | |
| Affordability | |
| Just Transition | |
| Accessibility | |
| Community Capacity | |
| Accountability | |
| Cultural Preservation | |
| Total: | |

*No negatives are accepted. If there is a negative impact, then the next step is to revise.*

*Scores could later be used to prioritize or stack the goals / strategies against each other. The overall goal is to ask better questions, and make better goals / strategies, the numbers are purely arbitrary.*

# Examples

**Full example application**

# Recommended process for advisory groups

Please refer to the following 6 steps for building racial equity, adapted from GARE, as you develop goals and strategies:

**1**

**What is the history?**
- Where are the inequities? Maps, data, stories
- Research the history of racial injustice relevant to this strategy to better understand the root causes Purpose: Inform/change the analyst's historical frame of reference.

**2**

**What does the data tell us?**
- Disaggregation by race, income and location (Research and collect data on racial disparities and identify those most impacted). Purposes: Change the information informing the proposal to identify disparities and those most impacted.

**3**

**What is the proposed goal?**
- Does it include a climate and equity component?

**4**

**Develop Strategies**
- How would we achieve this goal with history and disaggregated data in mind?
- Who will own this strategy, who needs to participate, and what are the costs and benefits?
- If the strategy is completely successful, does it achieve its goal?

**5**

**Analyze strategies with the Equity Tool**
- Does it meet our values?
- Answer the questions and analyze results
- Review and revise as necessary

**6**

**Implementation**
- How do we ensure accountability?
- How do we communicate results?

**5b**

**Review and revise** proposed strategies taking an iterative process. Add companion strategies as needed.

# Example 1: EV Charging Stations   (Example)

**Why this is being proposed:** In order to reach the 2030 target for GHG reduction in transportation, we need 200,000 EVs on the road.  EVs are purchased new and used by individuals and businesses. EVs all need charging infrastructure at either home (single family / multi-family) work place, or public charging.  EVs can create substantial economic benefits for owners in terms of cost savings on fuel and maintenance.

1. **What is the history?** History tells us that EVs have been adopted by white, high income residents in Austin.  Air pollution has decreased over time, but people of color who live / work / school near sources and freeways have had the most impact from this pollution

2. **What does the data tell us?** Most existing AE rebates on charging have gone to support those white high income EV owners and public charging infrastructure has been placed with an "equality" strategy. Single family homeowners charge at home, but if you live in multi-family you likely don't have access to charging.  Chargepoint Map and AE rebate map

3. **What is the proposed goal?**
   a. By 2030, have 50,000 accessible EV charge points in the City, with at least 50% located at multi-family housing or work places prioritizing low-income communities and communities of color

4. **Develop Strategies**
   a. Incentivize multi-family housing developments to install accessible charging stations
   b. Offer no-cost EV infrastructure for low-income, single family housing
   c. Incentive large employers to install large numbers of workplace changing and also small businesses owned by people of color to install charging infrastructure for employees

5. **Analyze strategies with the Equity Tool**
6. **Implementation**

| Theme 1: Health Strategy improves health (physical and mental) outcomes for low-income communities and communities of color. The strategy upholds the fundamental human right to clean, healthy and adequate air, water, land, food, education, transportation, safety, and housing. | Impact | | |
|---|---|---|---|
| | Harm -1 | Neutral or N/A | Benefit +1 |
| Does the proposed action reduce air pollution (Ozone, VOC, NOx, etc.) and reduce asthma and other respiratory-related hospital visits? | | | **+1** |
| Does the proposed action extend expected longevity and/or quality of life for populations experiencing health disparities? | | **-** | |
| Does the proposed action reduce stress, anxiety, and depression, i.e. improve mental health? | | **-** | |
| Does the proposed action help restore or protect ecosystem health (air, land, water, soil)? | | | **+1** |

Overall response to these questions with justification: **Action will definitely reduce localized air pollution**

| Theme 2: Affordability Strategy lowers and stabilizes costs related to basic living needs (housing, food, utilities, healthcare, transportation, etc.) for low-income communities and communities of color. | Impact | | |
|---|---|---|---|
| | Harm -1 | Neutral or N/A | Benefit +1 |
| Could this limit the displacement of residents and small businesses when surrounding property values rise? | | **-** | |
| Is the proposed action affordable to all residents, and/or does this offer inclusive financing strategies that prioritize the most income-burdened populations? (be specific about whether you're financing through an organization or the city, etc) | | | **+1** |
| Does the proposed action reduce cost burden and the number of families that are cost-burdened by housing (including utilities), transportation (defined as spending more than 33% of income on H+T)? | | | **+1** |
| Does the proposed action generate burdens (including financial, health costs), either directly or indirectly, to communities of color or low-income populations? If yes, are there opportunities to mitigate these impacts? | | | **+1** |

Overall response to these questions with justification: **EVs can create maintenance and fuel cost savings for drivers. "How" the stations are installed and paid for is key to affordability.**

| **Theme 3: Just Transition** Strategy ensures economic justice so that low-income communities and communities of color are prioritized in the benefits of the strategy and are protected from any potential negative consequences. | Impact | | |
| --- | --- | --- | --- |
| | Harm -1 | Neutral or N/A | Benefit +1 |
| Does the proposed action support communities of color and low-income populations through workforce development, contracting opportunities or the increased diversity of city staff? *internal* or support training programs prioritizing low-income communities and communities of color? *external* | | - | |
| Does the proposed action create local opportunities for livable wage jobs for low-income communities and communities of color? | | - | |
| Does the proposed action place responsibility on institutions to address historical disparities in contributing to climate change? | | | **+1** |
| Overall response to these questions with justification: **Could go back and add a strategy related to contracting and installation** | | | |

| Theme 4: Accessibility Strategy increases access to jobs, housing, transportation, funding, education, healthy foods, and a clean environment for low-income communities and communities of color. Strategy removes barriers through city infrastructure, policy, and investments. | Impact | | |
|---|---|---|---|
| | Harm -1 | Neutral or N/A | Benefit +1 |
| Does the proposed action expand access to healthy/clean transport systems, such as walking paths, bike routes, and public transit in order to access essential services (hospital, school), amenities, and/or jobs? | | - | |
| Does the proposed action improve amenities and essential services in traditionally underserved geographies/neighborhoods? essential services: hospitals, schools, and groceries Amenities: parks / green spaces | | - | |
| Does the proposed action increase equitable access to information/education around climate, i.e. impacts, benefits, and programs? | | | +1 |
| Does the proposed action remove any barriers that might prevent individuals in low income communities and communities of color *(consider language, gender, socio-economic status (SES), digital inequality, LGBTQ status, (dis)ability, employment status, immigration status, education level, geography, environment, religious beliefs, culture, history of incarceration, etc.)* from benefiting fully if this strategy were implemented as written? | | | +1 |
| Overall response to these questions with justification: **The key here is to intentionally make this infrastructure investment accessible.** | | | |

| **Theme 5: Community Capacity** Strategy elevates the voices of low-income communities and communities of color by developing and strengthening the skills, abilities, and resources that a community needs to survive, adapt, and thrive. | Impact | | |
|---|---|---|---|
| | Harm -1 | Neutral or N/A | Benefit +1 |
| Does the proposed action engage and continue to empower communities of color and low-income populations in a meaningful, authentic and culturally appropriate manner? Does it respect community-based knowledge and is it based on community identified needs and input/feedback? | | | |
| Does the proposed action help build community capacity through funding, educational opportunities, and/or other resources? | | | |
| Does the proposed action help foster the building of effective, long-term relationships and trust between diverse communities and local government? (by leveraging resources and building collaborative partnerships) Does this action strengthen community relationships and partnerships? | | | |
| Overall response to these questions with justification: | | | |

| Theme 6: Accountability Strategy ensures that low-income communities and communities of color can hold governments and institutions accountable for equitable implementation. | Impact | | |
|---|---|---|---|
| | Harm -1 | Neutral or N/A | Benefit +1 |
| Does the proposed action have provisions to ensure ongoing collection of data (that can be disaggregated by race/ethnicity/income) and public reporting of data? Can this data be validated qualitatively by community members? | | | **+1** |
| Does the proposed action have clear markers of short-term and long-term success as well as timelines for meeting markers of success? If so, what are the mechanisms we will utilize to ensure that goals are met (successful implementation and enforcement)? | | | **+1** |
| Does the proposed action address consequences if goals are not met? Is there a process for those impacted by the policy to express grievances or satisfaction and to ensure that concerns are met? | | - | |
| Is the proposed action adequately funded to achieve its designed goals? | | - | |
| Overall response to these questions with justification: **This action is very clearly measured and accountability can be verified.** | | | |

| Theme 7: **Cultural Preservation** Strategy deliberately and respectfully honors cultural relevance and history to maintain cultural heritage from the past and present for the benefit of all generations. | Impact | | |
|---|---|---|---|
| | Harm -1 | Neutral or N/A | Benefit +1 |
| Does the proposed action acknowledge/respect/honor the culture, historic assets, and traditions of low income and communities of color? | | - | |
| Does the proposed action improve social cohesion (engagement and connection within/to the community) among low income communities and communities of color? | | | **+1** |
| Does the proposed action's decision-making processes go beyond dollars and cents to address shared values and cultural differences in order to support implementation? | | - | |
| Overall response to these questions with justification: **Would need to happen in implementation** | | | |

# Scoring

| | Impact Score |
|---|---|
| Health | **+2** |
| Affordability | **+3** |
| Just Transition | **+1** |
| Accessibility | **+2** |
| Community Capacity | **+2** |
| Accountability | **+2** |
| Cultural Preservation | **+1** |
| Total: | **13** |

# Example 2: Incentivizing low-carbon building materials

<span style="color:red">(Draft example)</span>

**Why this is being proposed:**
As the AE grid is decarbonized, it will be important to address additional strategies to reduce carbon emissions related to buildings, including the Scope 3 emissions, or embodied carbon, of materials used for building construction. While building operations account for 28% of global CO2 emissions, 11% of emissions come from just the materials and construction of the building, and when separated, concrete steel and aluminum industries account for 22.7% of global emissions. Additionally, many building materials used in the industry have been proven to have negative health impacts on occupants. This shows us that there is a real opportunity to target using alternative materials that have a lower carbon impact and follow appropriate health standards. Learning about and using sustainable materials will take effort, but also provides an opportunity for education and workforce development opportunities targeted to serve communities of color and low income communities.

1. **What is the history?** "Whether it is as policy makers, advocates, architects, project managers, contractors, or even in the construction workforce, the most impacted communities are underrepresented in the design, construction, and occupancy of sustainable, regenerative, healthy buildings" (Getting Beyond Green, 2019). At the same time, many construction workers face dangerous and unjust working conditions while being on the frontlines of constructing our homes, schools and hospitals here in Austin.
2. **What does the data tell us?** Latinx residents are projected to be the largest sector of the workforce in Austin, yet-- like members of the African-American/Black community, have disproportionate education outcomes and are experiencing a significant racial wealth divide when compared White and Asian communities. There is an opportunity here to target the disproportionate benefit of an emerging sustainable materials economy at Latinx and Black communities, and to create guidelines for fair and just labor.
3. **What is the proposed goal?**
   a. Reduce embodied carbon from building materials by 15% by 2025 and 30% by 2030.
4. **Develop Strategies**
   a. Provide incentive to developers to use low-carbon concrete, steel, aluminum and insulation,
   b. Reserve 50% of funds for affordable housing developers, and incentivize at a higher rate.
   c. Create guidelines to ensure that materials available for incentives follow transparent health declaration guidelines.
   d. Develop workforce development training opportunities through local unions and community colleges.
   e. Ensure that developers that receive incentives are signed on to the Better Builder Program by making this a requirement.
5. **Analyze strategies with the Equity Tool**
6. **Implementation**

| Theme 1: Health Strategy improves health (physical and mental) outcomes for low-income communities and communities of color. The strategy upholds the fundamental human right to clean, healthy and adequate air, water, land, food, education, transportation, safety, and housing. | Impact | | |
|---|---|---|---|
| | Harm -1 | Neutral or N/A | Benefit +1 |
| Does the proposed action reduce air pollution (Ozone, VOC, NOx, etc.) and reduce asthma and other respiratory-related hospital visits? | | | **+1** |
| Does the proposed action extend expected longevity and/or quality of life for populations experiencing health disparities? | | | **+1** |
| Does the proposed action reduce stress, anxiety, and depression, i.e. improve mental health? | | – | |
| Does the proposed action help restore or protect ecosystem health (air, land, water, soil)? | | – | |
| Overall response to these questions with justification: By incorporating a strategy that looks at building materials through the lens of potential health hazards, this action may mitigate outdoor air quality during construction/renovations and potential indoor air quality issues (that can affect longevity) throughout the building's life cycle. | | | |

| Theme 2: Affordability Strategy lowers and stabilizes costs related to basic living needs (housing, food, utilities, healthcare, transportation, etc.) for low-income communities and communities of color. | Impact | | |
|---|---|---|---|
| | Harm -1 | Neutral or N/A | Benefit +1 |
| Could this limit the displacement of residents and small businesses when surrounding property values rise? | | - | |
| Is the proposed action affordable to all residents, and/or does this offer inclusive financing strategies that prioritize the most income-burdened populations? (be specific about whether you're financing through an organization or the city, etc) | | | +1 |
| Does the proposed action reduce cost burden and the number of families that are cost-burdened by housing (including utilities), transportation (defined as spending more than 33% of income on H+T)? | | - | |
| Does the proposed action generate burdens (including financial, health costs), either directly or indirectly, to communities of color or low-income populations? If yes, are there opportunities to mitigate these impacts? | | - | |

Overall response to these questions with justification:
By increasing the incentive amount for affordable housing developers, and reserving an amount for this sector, the strategy attempts to be inclusive of buildings that serve low-income populations and communities of color.

| Theme 3: Just Transition Strategy ensures economic justice so that low-income communities and communities of color are prioritized in the benefits of the strategy and are protected from any potential negative consequences. | Impact | | |
|---|---|---|---|
| | Harm -1 | Neutral or N/A | Benefit +1 |
| Does the proposed action support communities of color and low-income populations through workforce development, contracting opportunities or the increased diversity of city staff? *internal* or support training programs prioritizing low-income communities and communities of color? *external* | | | **+1** |
| Does the proposed action create local opportunities for livable wage jobs for low-income communities and communities of color? | | | **+1** |
| Does the proposed action place responsibility on institutions to address historical disparities in contributing to climate change? | | | **+1** |
| Overall response to these questions with justification: By creating a workforce development program that works with local unions and community colleges, this strategy is aiming for a more equitable and diverse workforce. There will need to be accountability tied to this to ensure that the program is directly serving/target communities of color and low-income communities. | | | |

| **Theme 4: Accessibility** Strategy increases access to jobs, housing, transportation, funding, education, healthy foods, and a clean environment for low-income communities and communities of color. Strategy removes barriers through city infrastructure, policy, and investments. | Impact | | |
|---|---|---|---|
| | Harm -1 | Neutral or N/A | Benefit +1 |
| Does the proposed action expand access to healthy/clean transport systems, such as walking paths, bike routes, and public transit in order to access essential services (hospital, school), amenities, and/or jobs? | | - | |
| Does the proposed action improve amenities and essential services in traditionally underserved geographies/neighborhoods? essential services: hospitals, schools, and groceries Amenities: parks / green spaces | | - | |
| Does the proposed action increase equitable access to information/education around climate, i.e. impacts, benefits, and programs? | | | +1 |
| Does the proposed action remove any barriers that might prevent individuals in low income communities and communities of color *(consider language, gender, socio-economic status (SES), digital inequality, LGBTQ status, (dis)ability, employment status, immigration status, education level, geography, environment, religious beliefs, culture, history of incarceration, etc.)* from benefiting fully if this strategy were implemented as written? | | | +1 |
| Overall response to these questions with justification: The strategy aims to increase accessibility by targeting affordable housing and incorporating workforce development goals tied directly to diversification and equity. | | | |

| Theme 5: Community Capacity Strategy elevates the voices of low-income communities and communities of color by developing and strengthening the skills, abilities, and resources that a community needs to survive, adapt, and thrive. | Impact | | |
| --- | --- | --- | --- |
| | Harm -1 | Neutral or N/A | Benefit +1 |
| Does the proposed action engage and continue to empower communities of color and low-income populations in a meaningful, authentic and culturally appropriate manner? Does it respect community-based knowledge and is it based on community identified needs and input/feedback? | | - | |
| Does the proposed action help build community capacity through funding, educational opportunities, and/or other resources? | | | +1 |
| Does the proposed action help foster the building of effective, long-term relationships and trust between diverse communities and local government? (by leveraging resources and building collaborative partnerships) Does this action strengthen community relationships and partnerships? | | - | |
| Overall response to these questions with justification: The strategy will aim to provide educational resources through the workforce development program. This can be expanded with partnerships with non-profit organizations/school districts to incorporate information to 9-12 curriculum. | | | |

| Theme 6: Accountability Strategy ensures that low-income communities and communities of color can hold governments and institutions accountable for equitable implementation. | Impact | | |
|---|---|---|---|
| | Harm -1 | Neutral or N/A | Benefit +1 |
| Does the proposed action have provisions to ensure ongoing collection of data (that can be disaggregated by race/ethnicity/income) and public reporting of data? Can this data be validated qualitatively by community members? | | -* | |
| Does the proposed action have clear markers of short-term and long-term success as well as timelines for meeting markers of success? If so, what are the mechanisms we will utilize to ensure that goals are met (successful implementation and enforcement)? | | | +1 |
| Does the proposed action address consequences if goals are not met? Is there a process for those impacted by the policy to express grievances or satisfaction and to ensure that concerns are met? | | - | |
| Is the proposed action adequately funded to achieve its designed goals? | | - | |
| Overall response to these questions with justification: Short-term goals have been set as part of the initial goal and can be tracked. *In order to track equity/diversity outcomes, strategies will need to be in place to track demographic data. | | | |

| Theme 7: Cultural Preservation Strategy deliberately and respectfully honors cultural relevance and history to maintain cultural heritage from the past and present for the benefit of all generations. | Impact | | |
|---|---|---|---|
| | Harm -1 | Neutral or N/A | Benefit +1 |
| Does the proposed action acknowledge/respect/honor the culture, historic assets, and traditions of low income and communities of color? | | - | |
| Does the proposed action improve social cohesion (engagement and connection within/to the community) among low income communities and communities of color? | | - | |
| Does the proposed action's decision-making processes go beyond dollars and cents to address shared values and cultural differences in order to support implementation? | | - | |
| Overall response to these questions with justification:<br><br>This strategy as written has neither a positive or negative effect on cultural conservation, but this can be revised to include this with the team. | | | |

# Scoring

|  | Impact Score |
|---|---|
| Health | 2 |
| Affordability | 1 |
| Just Transition | 3 |
| Accessibility | 2 |
| Community Capacity | 1 |
| Accountability | 1 |
| Cultural Preservation | 0 |
| Total: | 10 |

# Example 3: natural systems     (Draft example)

**Why this is being proposed:**
Increased canopy cover reduces greenhouse gas emissions while also creating ecosystem benefits, such as improved health benefits improving quality of life outcomes for all ages across Austin.
50% canopy by 2050 – 35% canopy in 2020 = 15% increase over 30 years = 5% increase/decade.

1. **What is the history?** Legacies of racial segregation has led to inequitable outcomes of services, programs, and infrastructure investment across the city. Austin has a detailed history of environmental injustices that have highlighted these issues of environmental burdens or harms not shared equally. This has brought forth the need to equitably benefit communities of color in access to green spaces and improved canopy cover that create ecosystem health benefits
2. **What does the data tell us?** Asthma risks, and other health outcomes are disproportional for low-income, communities of color. There is canopy cover data available that is not equitably distributed across the city. This also aligns with the fastest-growing youth populations that suffer from loss or lack there-of canopy cover.
3. **What is the proposed goal?**
    a. Increase the City's tree canopy cover to 40% by 2030, prioritizing neighborhoods that are currently below the City's 35% average, which generally coincide with low-income communities and communities of color.
4. **Develop Strategies**
    a. Work with AISD schools that serve primarily low-income communities to get more trees planted on school properties.
    b. Work with forestry department to plant more street trees in neighborhoods in eastern crescent to increase canopy cover.
    c. Work with Tree Folks or similar orgs to provide homeowners with saplings, materials, and expertise to plant trees on their properties.
    These efforts should be focused in neighborhoods with lower tree canopy coverage and higher heat reading as compared to the city average.
5. **Analyze strategies with the Equity Tool**
6. **Implementation**

| Theme 1: Health Strategy improves health (physical and mental) outcomes for low-income communities and communities of color. The strategy upholds the fundamental human right to clean, healthy and adequate air, water, land, food, education, transportation, safety, and housing. | Impact | | |
|---|---|---|---|
| | Harm -1 | Neutral or N/A | Benefit +1 |
| Does the proposed action reduce air pollution (Ozone, VOC, NOx, etc.) and reduce asthma and other respiratory-related hospital visits? | | | +1 |
| Does the proposed action extend expected longevity and/or quality of life for populations experiencing health disparities? | | | +1 |
| Does the proposed action reduce stress, anxiety, and depression, i.e. improve mental health? | | | +1 |
| Does the proposed action help restore or protect ecosystem health (air, land, water, soil)? | | | +1 |
| Overall response to these questions with justification: **Living in neighborhoods with green space is linked to positive health outcomes. These include better heart health, stronger cognitive development, and greater overall longevity. Framing this strategy as it attributes to positive health outcomes is essential. Through measurement and tracking, these could then be determined if successful.** | | | |

| Theme 2: Affordability Strategy lowers and stabilizes costs related to basic living needs (housing, food, utilities, healthcare, transportation, etc.) for low-income communities and communities of color. | Impact | | |
|---|---|---|---|
| | Harm -1 | Neutral or N/A | Benefit +1 |
| Could this limit the displacement of residents and small businesses when surrounding property values rise? | | -? | |
| Is the proposed action affordable to all residents, and/or does this offer inclusive financing strategies that prioritize the most income-burdened populations? (be specific about whether you're financing through an organization or the city, etc) | | - | |
| Does the proposed action reduce cost burden and the number of families that are cost-burdened by housing (including utilities), transportation (defined as spending more than 33% of income on H+T)? | | - | |
| Does the proposed action generate burdens (including financial, health costs), either directly or indirectly, to communities of color or low-income populations? If yes, are there opportunities to mitigate these impacts? | | - | |
| Overall response to these questions with justification: **Green gentrification concerns, how does that relate to neighborhood landscaping?** | | | |

| **Theme 3: Just Transition** Strategy ensures economic justice so that low-income communities and communities of color are prioritized in the benefits of the strategy and are protected from any potential negative consequences. | Impact | | |
|---|---|---|---|
| | Harm -1 | Neutral or N/A | Benefit +1 |
| Does the proposed action support communities of color and low-income populations through workforce development, contracting opportunities or the increased diversity of city staff? *internal* or support training programs prioritizing low-income communities and communities of color? *external* | | | **+1** |
| Does the proposed action create local opportunities for livable wage jobs for low-income communities and communities of color? | | - | |
| Does the proposed action place responsibility on institutions to address historical disparities in contributing to climate change? | | | **+1** |
| Overall response to these questions with justification: **Strategies need to be specific when considering contracting and installation. There are many opportunities to ensure that there are increased worrkforce development and local opportunities for neighborhoods to get involved.** | | | |

| Theme 4: Accessibility Strategy increases access to jobs, housing, transportation, funding, education, healthy foods, and a clean environment for low-income communities and communities of color. Strategy removes barriers through city infrastructure, policy, and investments. | Impact | | |
|---|---|---|---|
| | Harm -1 | Neutral or N/A | Benefit +1 |
| Does the proposed action expand access to healthy/clean transport systems, such as walking paths, bike routes, and public transit in order to access essential services (hospital, school), amenities, and/or jobs? | | - | |
| Does the proposed action improve amenities and essential services in traditionally underserved geographies/neighborhoods? essential services: hospitals, schools, and groceries Amenities: parks / green spaces | | - | |
| Does the proposed action increase equitable access to information/education around climate, i.e. impacts, benefits, and programs? | | - | |
| Does the proposed action remove any barriers that might prevent individuals in low income communities and communities of color *(consider language, gender, socio-economic status (SES), digital inequality, LGBTQ status, (dis)ability, employment status, immigration status, education level, geography, environment, religious beliefs, culture, history of incarceration, etc.)* from benefiting fully if this strategy were implemented as written? | | - | |

Overall response to these questions with justification:
**Hopefully, strategies identify targeted areas that currently have historically lacked canopy cover and have health risks related to air pollution that may be remediated.**

| Theme 5: Community Capacity Strategy elevates the voices of low-income communities and communities of color by developing and strengthening the skills, abilities, and resources that a community needs to survive, adapt, and thrive. | Impact | | |
|---|---|---|---|
| | Harm -1 | Neutral or N/A | Benefit +1 |
| Does the proposed action engage and continue to empower communities of color and low-income populations in a meaningful, authentic and culturally appropriate manner? Does it respect community-based knowledge and is it based on community identified needs and input/feedback? | | - | |
| Does the proposed action help build community capacity through funding, educational opportunities, and/or other resources? | | - | |
| Does the proposed action help foster the building of effective, long-term relationships and trust between diverse communities and local government? (by leveraging resources and building collaborative partnerships) Does this action strengthen community relationships and partnerships? | | - | |
| Overall response to these questions with justification: **Strategies need to consider specific opportunities that foster community capacity through the implementation phases. What are the current procedures organizations such as Treefolks do when they are contracted for projects such as this?** | | | |

| Theme 6: Accountability Strategy ensures that low-income communities and communities of color can hold governments and institutions accountable for equitable implementation. | Impact | | |
| --- | --- | --- | --- |
| | Harm -1 | Neutral or N/A | Benefit +1 |
| Does the proposed action have provisions to ensure ongoing collection of data (that can be disaggregated by race/ethnicity/income) and public reporting of data? Can this data be validated qualitatively by community members? | | | **+1** |
| Does the proposed action have clear markers of short-term and long-term success as well as timelines for meeting markers of success? If so, what are the mechanisms we will utilize to ensure that goals are met (successful implementation and enforcement)? | | - | |
| Does the proposed action address consequences if goals are not met? Is there a process for those impacted by the policy to express grievances or satisfaction and to ensure that concerns are met? | | - | |
| Is the proposed action adequately funded to achieve its designed goals? | | - | |
| Overall response to these questions with justification: **Through measuring and implementation, strategies will need to be measured and tracked overtime to prove to be successful.** | | | |

| Theme 7: Cultural Preservation Strategy deliberately and respectfully honors cultural relevance and history to maintain cultural heritage from the past and present for the benefit of all generations. | Impact | | |
| --- | --- | --- | --- |
| | Harm -1 | Neutral or N/A | Benefit +1 |
| Does the proposed action acknowledge/respect/honor the culture, historic assets, and traditions of low income and communities of color? | | - | |
| Does the proposed action improve social cohesion (engagement and connection within/to the community) among low income communities and communities of color? | | | +1 |
| Does the proposed action's decision-making processes go beyond dollars and cents to address shared values and cultural differences in order to support implementation? | | - | |
| Overall response to these questions with justification: **This action, if done with the right steps and partnerships in implementation, could help alleviate and right the wrongs of historic inequities and improve health outcomes.** | | | |

# Scoring

|  | Impact Score |
|---|---|
| Health | **+4** |
| Affordability | **+0** |
| Just Transition | **+2** |
| Accessibility | **+0** |
| Community Capacity | **+0** |
| Accountability | **+1** |
| Cultural Preservation | **+1** |
| Total: | **8** |

**MassDEP Clean Heat Standard (CHS)**
**Draft Framework**
**For Stakeholder Comment Only**
**November 2023**

MassDEP is publishing the attached draft framework to update stakeholders on MassDEP's progress on detailed CHS program design, and to assist stakeholders wishing to comment on program design before MassDEP proposes regulations. All aspects of program design are open for comment. MassDEP will hold stakeholder meetings this fall, and requests written comment on the draft framework no later than December 21. 2023. Additional background is available on MassDEP's CHS web page: https://www.mass.gov/info-details/massachusetts-clean-heat-standard.

The draft framework builds on the CHS discussion document that MassDEP published in April 2023 and oral and written stakeholder comment received over the spring and summer. Key program design topics introduced in the discussion document are addressed, including:

- Topic #1 – Setting the Standard: The draft framework describes a standard that includes separate requirements for "full electrification" conversions (including a low-income "carve out"), and for annual emission reductions from using clean heat. The full electrification standard phases in gradually over time, starting at a level consistent with the current pace of heat pump deployment in Massachusetts.
- Topic #2 – Regulated Heating Energy Suppliers: The draft framework includes annual compliance obligations for suppliers of natural gas, heating oil, propane, and electricity. The electricity obligation starts small but increases over time as more and more customers electrify.
- Topic #3 – Credit Generation: The draft framework limits crediting to electricity and liquid biofuels at program startup, with a scheduled 2028 program review to evaluate revising eligibility based on specific criteria.
- Topic #4 – Compliance Flexibility and Revenue: The draft framework includes credit banking and an alternative compliance payment option with revenue dedicated to supporting future clean heat projects. A "just transition fee" on the initial sale of certain credits is included to support equitable outcomes.

MassDEP has posted the following additional documents on the CHS web page:

- Discussion draft regulatory language for an "early action" full electrification voluntary registration program. Written comments on this document are also requested by December 21.
- A FAQ document addressing basic questions about program design. MassDEP anticipates updating this document regularly in response to stakeholder questions.
- Comments and a summary covering comments received between May 10 and September 1.

I.    <u>Setting the Standards.</u> Standards would be established to require annual emissions reductions while ensuring ongoing progress toward full electrification of buildings.

   A.    To ensure that emissions are reduced over time through ongoing use of clean heat, the program would include a requirement to document emissions reductions each year.

      1.    The emission reduction standard would be set to require reductions equivalent to an additional 1 million metric tons (MMT) of GHG emissions each year from 2026 through 2050 (i.e., totaling 1 MMT in 2026, 2 MMT in 2027 . . . 24 MMT in 2049). [i]

   B.    To ensure progress on electrification, the program would also include a requirement to complete a specified number of "full electrification" residential projects each year.[ii]

      1.    The full electrification standard would be 20,000 residences in 2026, increasing by 20,000 per year to reach 100,000 in 2030 and every later year.[iii]

      2.    To ensure equitable access to affordable clean heat, the regulations would include an "equity carve out" requirement that 25% of the full electrification standard be met by projects that serve customers who are eligible for low-income discount electricity rates. [iv]

| Table 1. Annual standards, as statewide totals. | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2026 | 2027 | 2028 | 2029 | 2030 | 2035 | 2040 | 2045 |
| Full electrification (number of projects) | 20,000 | 40,000 | 60,000 | 80,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| Low income carve out | 5,000 | 10,000 | 15,000 | 20,000 | 25,000 | 25,000 | 25,000 | 25,000 |
| Emission reduction (metric tons) | 1,000,000 | 2,000,000 | 3,000,000 | 4,000,000 | 5,000,000 | 10,000,000 | 15,000,000 | 20,000,000 |

   C.    The standards would be inclusive of clean heat supported by other programs, such as federal tax credits. In other words, all clean heat that meets program requirements would count toward achievement of the standards regardless of whether it is supported by other programs.

II.    **Regulated Heating Energy Suppliers.** The regulations would require retail sellers of natural gas, heating oil, propane, and electricity to demonstrate compliance each year.

A.    The requirements for electricity sellers would be set in line with current building electrification programs (i.e., Mass Save) in the early years of implementation, and then increase gradually to ensure long-term viability of the standard as fuel providers' customer base declines due to electrification.[v]

1.    The full electrification compliance obligations for retail sellers of electricity (including municipal electric utilities) would initially be set at a level not exceeding levels consistent with electric energy efficiency three-year plans, such as for example 16,000 full conversions per year.

2.    Between 2027 and 2040, the full electrification obligation on electricity sellers would increase annually by 6,000 per year to reach 100% of the compliance obligation in 2040.

3.    The annual emission reduction standard would phase in for electricity sellers after 2030, increasing from 1,500,000 MT in 2031 to the full obligation of 15,000,000 MT in 2040.

4.    The compliance obligations for electricity sellers would be apportioned based on projected retail electricity sales. For example, assuming statewide electricity sales of 90,000,000 MWh in 2035, then the standards for that year would be (70,000/90,000,000 =) 0.000808511 full electrification project credits and (7,500,000/90,000,000 =) 0.095744681 MT of emission reduction credits per MWh of sales.

| Table 2. Requirements for a retail electricity seller with 10,000 customers, assuming 6 MWh annual consumption per customer. | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2026 | 2027 | 2028 | 2029 | 2030 | 2035 | 2040 | 2045 |
| Full electrification standard (number) | 16 | 22 | 28 | 34 | 40 | 47 | 55 | 48 |
| Low income carve out (number) | 4 | 6 | 7 | 9 | 10 | 12 | 14 | 12 |
| Emission reduction standard (MT) | 0 | 0 | 0 | 0 | 0 | 4167 | 6818 | 8000 |

B.    The remaining compliance obligations would be apportioned to natural gas, heating oil, and propane suppliers based on their reported carbon dioxide emissions for the year. For example, 2027 building sector emissions may be approximately 23 MMT, and the standard could require 40,000 full electrification projects. If, in that year, the total full conversion requirement on electricity sellers was 22,000 conversions, then natural gas, heating oil, and propane suppliers would be required to document completion of an additional 18,000 full electrification projects. Therefore, the full electrification standard for these

heating energy suppliers would be 18,000/23 MMT or 0.0007826 projects per MT of emissions. In other words, each supplier would calculate their electrification requirement by multiplying 0.0007826 times their emissions. A similar process would be used to determine the annual emissions reduction requirement, which could be met through biofuel blending.

| Table 3. Requirements for an example fuel seller with 10,000 customers, assuming 5 MT annual emissions per customer. | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2026 | 2027 | 2028 | 2029 | 2030 | 2035 | 2040 | 2045 |
| Full electrification standard (number) | 8 | 39 | 73 | 110 | 150 | 100 | 0 | 0 |
| Low income carve out (number) | 2 | 10 | 18 | 27 | 38 | 25 | 0 | 0 |
| Emission reduction standard (MT) | 2083 | 4348 | 6818 | 9524 | 12500 | 8333 | 0 | 0 |
| (As a percent of estimated emissions) | 4% | 9% | 14% | 19% | 25% | 17% | | |

C.      Credit for projects that are completed under Mass Save and comply with all CHS eligibility requirements would be assigned to retail natural gas or electricity sellers in proportion to their compliance obligations.

D.      Specific numerical standards such as those presented above would be established in the regulation for every year, but adjustment mechanisms would be included to address variability and uncertainty.

1.      The regulation would establish a process for weather normalizing annual emission reduction credit values for electrification projects. (See Section IV.E.)

2.      Required program reviews would be used to recalibrate the general requirements, for example if the pace of building sector emission reductions departs significantly from the assumptions used to derive the annual compliance requirements.

III.    <u>Credit Generation.</u> Compliance would be demonstrated using Clean Heat Credits (CHCs or "checks"). Regulated energy suppliers would obtain CHCs by implementing clean heat themselves or purchasing credits from third parties, such as heat pump installers.

A.      There would be two separate types of credits corresponding to the two standards: full electrification credits and emission reduction credits. Full electrification credits would be generated one time for each electrification project (See III.C.1.), but emission reduction credits would be generated each year on an ongoing basis (See III.F.).

B.      A voluntary early action registration program would be used to encourage early action by registering full electrification projects completed before the final program regulations are in place.

1.      Early action crediting would be limited to residential full electrification projects that:

    a)      Install electric heat pumps capable of meeting 100% of the space heating needs of a residence; and

    b)      Remove all combustion space heating equipment or commit to limiting utilization of remaining combustion equipment to backup or emergency use. [vi]

2.      Administrative support would be available to early action projects, with resources targeted toward registering equity carve out projects.

C.      Pending further analysis during the first program review, only the following actions would be eligible for crediting:

1.      Full electrification projects that meet the requirements for early action crediting would receive full electrification credits on installation and annual emission reduction credits annually beginning the first year of operation.

2.      Hybrid systems that retain fossil backup would be eligible for annual emission reduction credits based on evidence of utilization for heating, such as electricity billing records showing a winter-peaking pattern.

3.      Documented delivery of eligible liquid biofuels would earn annual emission reduction credits toward compliance obligations of heating oil suppliers.

D.      The final regulation would include a requirement to consider expanding eligibility to other fuels in a required 2028 program review. Fuels would be evaluated based on the following considerations:

1.      Lifecycle analysis of the greenhouse gas emissions associated with producing and utilizing the fuel, including the time frame of the assessment.

2.      Detailed analysis of fuel availability, including the status and potential timeline for production projects and analysis of alternative uses of the fuel.

3.      Any local air pollution impacts from production or combustion of the alternative fuel.

E.      To avoid unnecessary complexity and redundancy with the Mass Save program, weatherization and energy efficiency measures would not be eligible to earn CHCs.

F.      Emission reduction crediting would be based on the following general principles:

1.      Substituting clean heat for combustion in a single residence would be credited for an emission reduction of 5 MT per year, regardless of the size of the residence or whether it was an apartment or single-family home.[vii]

2.      Heat pump systems at residences that do not meet the full electrification standard but are used for heating throughout a residence would be credited for an emission reduction of 2.5 MT per year.

3.      Non-residential commercial projects would receive emission reduction credits based on demonstrated implementation of clean heat and emission reductions. Crediting would be consistent with methods used by the Massachusetts Department of Energy Resources (DOER) or MassDEP's greenhouse gas emissions reporting regulation for facilities.

4.      Eligible waste-based liquid biofuels would be credited based on the assumed avoidance of all emissions from combustion of an equivalent quantity of heating oil. Other liquid biofuels eligible for the federal Renewable Fuel Standard would receive half credit through 2030 only. [viii]

G.      Credits would include information necessary to address equity, such as a low-income identifier and project locations.

H.      Presumptive ownership of any credits would be clearly specified in the regulation.

1.      For electrification projects, ownership of credits would reside with the property owner unless and until re-assigned by the property owner to another owner. For example, MassDEP expects that property owners would normally assign full electrification credits to heat pump installers or other intermediaries and that these entities would reflect the value of the credits in prices offered for their services.

2.      For blended fuels delivered by companies with compliance obligations, credits would be assigned to the company delivering the fuel.

I.      MassDEP would develop and implement verification measures that draw on experience with existing programs such as DOER's Alternative Portfolio Standard (APS) and Mass Save to ensure credit integrity while minimizing the administrative burden of verification.

J.      MassDEP would contract for the development and hosting of an electronic Clean Heat and Emissions Tracking System to provide for efficient program implementation.

IV.      <u>Compliance Flexibility and Revenue.</u> Several program elements, including the use of marketable credits for compliance, would provide flexibility for regulated energy suppliers and offer opportunities for using revenue to ensure equitable outcomes.

A.      Banking of full electrification credits for use in future compliance years would be allowed without limit. In combination with the gradual phase in schedule described in Section I.A, this would ensure an adequate supply of credits in the

early years of the program and support development of a durable and liquid market for credits.

B.      Compliance through alternative compliance payments (ACPs) would also be allowed without limit, in the following amounts:

      1.      $6,000 per full conversion in 2026, increasing by $1,000 per year until reaching $10,000 per year in 2030.

      2.      For each low-income full conversion, the ACP amount would be doubled (i.e., $12,000 rising to $20,000).

      3.      For each metric ton of avoided emissions, $190.[ix]

C.      ACP revenue would primarily be dedicated toward contracting for additional clean heat (and CHCs) in future years, with all ACP funds resulting from the low-income carve out dedicated to future low-income full electrification projects.[x]

D.      A just transition fee of 10% of the annual full electrification credit ACP value would be required for the first transfer of each full electrification credit that is not eligible for the equity carve out, with funds assisting low-income consumers during the clean heat transition.

E.      To provide compliance flexibility in years when colder weather drives significantly higher emissions, a credit multiplier would be used in assessing compliance obligations after particularly cold winters. In other words, the value of annual emission reduction credits resulting from electrification projects would be weather normalized in advance of the relevant compliance deadline to reflect the fact that electrification avoids more emissions during colder winters.

F.      MassDEP would also consider options for providing additional support to low-income households when cold weather or high energy prices result in abnormally high home heating costs. Such options could include the use of ACP or just transition fee revenue, other MassDEP revenue, or programs implemented with other Massachusetts agencies.

G.      Program reviews would be required in 2028 and every five years thereafter to address all aspects of program design and implementation.

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[i] Building sector emissions have recently been in the range of 24 MMT per year, so reductions of 1 MMT per year over the 2026 – 2050 time period would reduce emissions to near zero in 2050. Reducing emissions by 5 MMT over the 2025-2030 time period would also be consistent with the Massachusetts Clean Energy and Climate Plan for 2025 and 2030 (Table ES.2). Also see Section II.D.2 for discussion of the potential need to regularly re-calibrate this target and Section IV.E for discussion of weather normalization of credit values.

[ii] See Section III.B and C for discussion of the "full electrification" concept.

iii The example of 100,000 full electrification projects was presented in the spring 2023 CHS stakeholder discussion document as the pace of electrification necessary to achieve required emissions reductions by 2050.

iv As discussed in Section IV, the ACP rate for low-income conversions would be doubled. Therefore, a 25% carve out would correspond to 40% of the maximum economic value of the full electrification standard.

v For discussion of including electricity sellers in the standard, see the following documents posted on the CHS web site: *2025/2030 CECP, Appendix B*, p. 59 and *Memo on Obligated Entities*.

vi The commitment approach is currently used under the Mass Save program.

vii 5 MT is a rough estimate of the fossil fuel emissions resulting from heating a typical Massachusetts residence. Larger residences normally emit more than 5 MT per year, but providing additional credit for electrifying larger residences would not be equitable because larger residences are normally owned by higher-income individuals.

viii The Massachusetts Alternative Portfolio Standard program currently limits eligibility to waste-based biofuels. Discounting or limiting crediting for other biofuels would be consistent with this precedent and with US EPA analysis of indirect emissions from biofuel production. Biofuel eligibility would be reconsidered in the 2028 program review.

ix The $190/MT would apply to the reduction requirement, not the full amount of emissions. Therefore, this would not be equivalent to a "carbon price" on emissions of $190. $190 reflects a recent US EPA estimate and could be revised during program reviews.

x The purchase price of these CHCs could exceed the ACP rate, for example as might be needed to support full electrification at a residence that requires insulation or electric panel upgrades.