Fulfilling the promise of energy equity stakeholder groups: Perfecting the process of engagement

By Lisa Markus, Quinn Parker
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Equity stakeholder groups are a perfect opportunity for utilities to bridge the trust gap with communities of color. Evolving the relationship begins with acknowledging and addressing historical inequities.

To partner differently, utilities must benchmark and build intercultural competency. And they must reframe how they solve for equity to properly engage and equip stakeholders to equitably build the community.

How's your intercultural competency?

Find out where your company stands by partnering with E Source and Encolor on an Intercultural Development Inventory benchmark assessment. Fill out this short form to start a conversation about your needs and how we can help.

The traditional approach to holding equity stakeholder meetings stops short of building deep relationships that mobilize community actions and ultimately achieve equitable results. Strong Towns, a nonprofit media advocacy organization, digs deeper into this idea in the article Most Public Engagement Is Worse Than Worthless. Solving for equity requires a radically different level of partnership with stakeholders where utilities must take on a broader role of integrating community perspectives and aggregate utility and nonutility resources to address historical inequities.

Management consulting firm Huntswood explains in the article Can the Utilities Sector Rebuild Customers' Trust and Loyalty to Deliver Sustained Business Success? that while utilities may have internal diversity, equity, and inclusion (DEI) efforts underway, the work is often siloed from external

efforts. It's also not typically applied in a way that breaks through stakeholders' historical trust barrier. Achieving equity requires an unprecedented focus on internal intercultural competency development and self-reflection.

In this post, we'll show you how to start fulfilling the promise of energy equity stakeholder groups. And we'll outline the steps you can take now to pivot toward energy equity.

The promise of energy equity stakeholder groups

With equity stakeholder groups, utilities have the potential to achieve equity in their service area. They accomplish this through collaboration and partnership to address historic inequities and achieve real-world results like lowering the energy burden, increasing energy security, decreasing pollution, and improving health. We recommend taking the following steps to be successful:

- Start with intercultural competency
- Build relationships with stakeholders
- Reimagine stakeholder relationships

Start with intercultural competency

It's hard to solve for equity if you're looking at the problem solely through your own worldview. We've heard utility staff voice discomfort with the subject of equity by using statements such as:

- Why can't we just help everyone who needs help?
- This feels like reverse discrimination.
- Isn't it up to the individual to help themselves?
- It's not the utility's responsibility to address these issues.
- Some people just don't want to work.

But you can't address equity unless you're willing to acknowledge inequity. Utilities often struggle with problem identification, measurement and impact, and stakeholder respect.

Problem identification. Highlighting data from a recent US Bureau of Labor Statistics survey, an article from consulting firm Charles River Associates, 5 ways utilities can leverage data to build DEI workforces, calls out utilities as "one of the least diverse industries in the US today, being 85% white and 80% male." And when cognitive and identity diversity is scarce, majority norms and communication preferences are often elevated as the "right way to behave," leaving diverse individuals limited in the level of openness and impact possible because the core group isn't ready to hear it and can't process it. Read more about this in the Inclusion Solution post By Whose Standards: Nice v. Kind.

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We estimate that 70% of Americans are in minimization, which means they have a monocultural mindset that's good at creating common ground based on similarities but less adept at making decisions based on differences and addressing inequity. With this mindset, solving for equity looks like extending access to current programs without addressing core issues or working toward restorative justice. Learn more about minimization and the other mindsets by visiting the Intercultural Development Continuum web page.

Measurement and impact. Stakeholder engagement often falls within the responsibilities of public affairs, community outreach, and communications teams. Utilities gravitate toward metrics and measures that can be reliably delivered and within their current scope of responsibility. Examined through a communications lens, the goal becomes educating stakeholders on current programs, understanding barriers to program participation, removing those barriers, and measuring program participation.

Progress under traditional utility stakeholder engagement looks like:

- The number of stakeholder meetings held
- The number of program brochures translated into Spanish
- The increase in enrollment in energy efficiency programs

But it's important to note that those strategies and tactics don't recognize, address, or resolve foundational issues such as food and energy insecurity, extreme heat, poor health, lack of home weatherization, and other byproducts of historic inequities as well as disinvestment in communities of color.

For more information on how to best serve customers who are struggling with these foundational issues, read our blog post The equity iceberg: What you need to know about serving the underserved.

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Stakeholder respect. If utilities are using stakeholder groups to validate current utility programs, participants are left questioning the utility's commitment to equity. Utilities may be gathering participant feedback and using it to guide meeting topics or address program communications, they're not harnessing the true value it can deliver in identifying and fixing systemic issues. There's also a power dynamic that stands in the way of partnership, where the stakeholder takes the role of observer or approver of the utility's agenda and isn't given equal footing with utility members.

Interculturally competent people make equitable decisions, including redefining an approach to equity, setting meaningful real-world metrics that result in equitable outcomes, and recognizing stakeholders as equal partners in creating an equitable clean energy future. In the blog post How building intercultural competency drives equitable decision-making, we discuss how benchmarking your progress using the Intercultural Development Inventory is a beneficial starting point for equity.

Build relationships with stakeholders

The act of planning and running energy equity stakeholder meetings is a trust-building exercise. Consider the words and phrases customers routinely use to describe utilities, which we shared during the closing keynote at the E Source Forum 2022:

- Greedy
- Overcharging customers
- Profit-seeking
- Money hungry

Equity starts by understanding and addressing differing community needs, not by making it easier to

access the same programs that are available to everyone. That means acknowledging some truths. The University of Michigan's Energy Equity Project recently released a framework "for comprehensively measuring and advancing energy equity." Later this year, the project will publish an interactive map of the US that includes filters such as energy burden, extreme heat, and ethnicity to illustrate how Black, Indigenous, and people of color experience the highest energy burdens and live in areas that are prone to extreme weather conditions.

Systematic disinvestment in formerly redlined communities has created a legacy of heat islands, dilapidated and unweatherized homes, poor health, and high utility bills.

The most enduring indicator of inequity is zip code. Federal policies from the 1930s shaped the ethnic makeup of neighborhoods, and we're still seeing the effects today. Systematic disinvestment in formerly redlined communities has created a legacy of heat islands, dilapidated and unweatherized homes, poor health, and high utility bills. It has also contributed to the ethnic wealth gap, according to nonprofit public policy organization the Brookings Institution. The Brookings article Examining the Black-white wealth gap explains that white households have an average net worth of $170,000 compared to $1,700 for Black households.

While helping an E Source utility client map the low-income customer journey, we received customer and employee feedback that the communities with the highest disconnection rates held deep feelings of distrust toward the utility. These communities also reported an intense fear of seeing utility trucks in the neighborhood because that often meant someone was being disconnected. People can hide many signs of financial trouble, but getting your energy shut off is a visible and often humiliating sign of struggle.

It's not enough to provide on-bill financing for energy efficiency upgrades. Utilities need to address foundational issues in communities of color with a comprehensive strategy that moves the community forward. Demonstrating an understanding of these broader issues will bridge the trust gap between stakeholders and brokers, leading to honest dialogue and making progress possible.

Quinn Parker, CEO of Encolor, focused on equity in her closing keynote at the E Source Forum 2022

Parker gave attendees concrete strategies for making equity part of their day-to-day work.


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Reimagine stakeholder relationships

Stakeholders have trusted relationships within the community to advance equity in their sphere of influence. Engage with them in ways that recognize their relational strength and equip them with resources to make an impact. Here are a few ways to start.

Create an intake process for funding. Creating an efficient intake process for funding should fully embrace the stakeholders' mission, where resources are needed, and where the utility can provide resources or make connections:

- Explore the utility support programs stakeholders and their organizations are eligible for and help them through the application process to bring all resources to bear on their success. That means looking beyond energy efficiency and bill assistance to see what other utility benefits and resources are available, such as grant funding through charitable contributions or foundation resources.
- Deploy employee volunteers or create a paid position that focuses on uncovering, applying for, and securing grants and other resources on behalf of organizations. It's important to appropriately compensate stakeholders for their participation and reimburse them for expenses associated with participation.

Close the loop. Track any feedback or questions that surface during stakeholder group sessions and report back on how your utility is addressing the issue or using the feedback. While feedback and suggestions may not fall within what the utility defines as its area of responsibility, the utility does have the power to expand the circle of influencers to address broader issues and increase the likelihood of achieving an equitable result. Having a growth mindset is important to solving for equity.

Create a scorecard. Use real-life metrics and be transparent about progress. Stakeholders need to see that their efforts are manifesting equity in their communities. They need to know that you're accounting for risks and obstacles that need to be removed and acting on opportunities.

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