Forging a path to a brighter energy future for all

Reflections on the E Source energy equity framework
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Energy equity continues to be the priority for many in the utility industry. And with so many underserved customers and communities remaining in our energy system, we don't expect these important efforts to lose momentum.

It's going to be a long road ahead to achieve energy equity—the utility industry largely lacks clear, agreed-upon definitions of equity goals, metrics, and end results. But utilities are making progress and the results will be well worth it.

The E Source energy equity framework

Our white paper The energy equity framework that benefits customers, utilities, and underserved communities introduces the E Source energy equity framework, which provides the steps for planning, executing, and improving on programs that serve all customers. This framework can help utilities at any stage better understand energy equity opportunities, effective program implementation, and continuous improvement.

Let's reflect on what the utility industry has accomplished so far, based on each element of the energy equity framework.

Read the energy equity white paper

Define and measure equity

Utilities, along with federal, state, and local governments, are making progress in defining and measuring equity.

At the federal level, the US Department of Energy's Justice40 Initiative has developed a comprehensive definition of disadvantaged communities. This is important for determining where benefits of climate

and energy investments are—or aren't—accruing, as well as determining eligibility for future federal investments.

At the state level, California, Illinois, Massachusetts, New York, and Washington have passed legislation to mandate or encourage utilities and municipalities to pursue energy equity. And nongovernmental organizations such as the Energy Equity Project have continued to develop guiding principles and implementation for energy equity.

We know it can be challenging, not to mention overwhelming, to know where to start. So we recommend starting by obtaining a better understanding of the customers in your community. This is why we shared some key strategies for better understanding underserved customers in our blog post Using ethnography and market research to better define and address energy equity. Ask yourself, others at your utility, and the communities you serve the following questions:

- Who are our underserved customers and communities?
- What problem are we trying to solve for customers who struggle to pay their utility bills or who face a high energy burden?
- How can we serve our customers equitably? And what's the cost of not giving underserved communities equal access to new, clean-energy technologies?

There's no one solution to energy equity. But by understanding your unique customers and communities, you can identify their energy-related challenges and design programs to address them. Market research and ethnographic research can paint a real picture of this, making it easier for you to make the right connections with the right offerings and programs. Learn more about the E Source Audience of One approach.

Inextricably tied to their customer-side efforts to advance equity, utilities have continued to advance internal diversity, equity, and inclusion (DEI) initiatives. These DEI initiatives are a critical part of shaping energy equity initiatives and strengthening the bonds among utilities, their employees, and the historically disadvantaged customers and communities they serve.

Our blog post A conversation on diversity, equity, and inclusion: What we need to do to initiate change acknowledges that we need to first work within ourselves, our companies, and our societies before we can successfully spread the costs and benefits of our energy system more equitably throughout our communities.

Engage stakeholders

Utilities have been working with local stakeholders to understand, engage, and serve customers who haven't historically benefited from utility programs. We're seeing utilities engage trade allies, community-based organizations, and community members to learn from their perspectives and expertise to better reach underserved customers.

We discuss some engagement strategies in our blog posts:

- How utilities can collaborate with local organizations to achieve equitable programs
- Fulfilling the promise of energy equity stakeholder groups: Perfecting the process of engagement

We held a workshop at E Source Forum 2022 where utility leaders discussed how engaging

communities, local partners, employees, and other stakeholders is critical to defining and successfully implementing equity initiatives.

During the workshop, Theresa English, senior product manager at Evergy, left attendees with a lasting impression when she reminded them they must meet customers where they are and not the other way around. English achieves this by continuing Evergy's presence at community events.

Design and implement programs

How are utilities moving equity from planning to action? They're designing and implementing customer-side programs and internal initiatives with equity in mind.

Utilities can incorporate equity into any program type and the internal operations associated with programs. You can learn about a few of these programs—including those aimed at expanding energy efficiency, solar, storage, and transportation electrification—and some insightful tips for improving program design in our white paper The energy equity framework that benefits customers, utilities, and underserved communities.

Our blog post Why it's crucial to incorporate equity into transportation electrification plans looks at equity specifically in relation to transportation electrification (TE) plans. We cover why you need to consider equity in these plans, as well as what an equity-focused TE plan looks like. The reality is utilities can reduce everyone's exposure to the negative effects of the traditional transportation system by understanding how communities are unequally affected. Utilities can also minimize any new negative impacts from TE at the same time.

Evaluate and iterate on programs

Although many utility equity efforts are in early stages, utilities are establishing evaluation and reporting processes to make sure programs are held accountable and have intended equitable impacts. Working collaboratively with regulators can help drive transformative regulatory change to reward—not inhibit—progress on energy equity. States like Hawaii, Oregon, and Rhode Island are leading the way to integrating equity into utility regulation and cost-benefit evaluations.

We believe the utility industry will continue to recognize the importance of and business case for energy equity, especially in legislation, regulation, and stakeholder demand. At E Source, we're ramping up our own efforts to:

- Drive energy equity and affordability and continue moving the needle forward
- Share transformative strategies with utilities
- Hold the industry accountable to make the energy system more equitable and inclusive for all

In pursuit of this mission, E Source acquired Distributed Energy Financial Group (DEFG) in July 2022 to become the leader in equity solutions for utilities. By combining forces with DEFG, we've multiplied our efforts to help utilities improve the customer experience and manage affordability for all customers. Our recent online event Working Together for an Equitable Energy Future is a great example of the depth of thought leadership that DEFG brings to E Source.

Energy equity in 2023

Even with all our progress, the utility industry still faces immense challenges.

Millions of people still disproportionately suffer from the energy system and from consequences of historical and current discrimination and disinvestment. And their communities are still often overlooked, with outdated and inefficient infrastructure, buildings, and transportation systems. Not to mention the lack of workforce diversity within the energy efficiency and clean-energy industries.

But if we collectively continue to make progress in placing equity at the forefront of our decision-making, we can begin to redress historical wrongs. As Dr. Tony Reames, senior adviser of energy justice at the Department of Energy, said on the E Source PowerTalking podcast, “This is an opportunity for utilities to shine.” Let’s make 2023 the year of big change and forge a path to a brighter energy future for all.

Listen to PowerTalking episode 6

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