How to make your utility programs more equitable

Forum keynote speaker Quinn Parker on what it means to operationalize equity
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Key takeaways

- You can't create equity without first defining it in your programs.
- Don't just collect demographic data; use it to improve equity.
- Bring in partners from the community when you're designing programs.

Contents

Create a definition of equity for your programs

Find a way to collect—and use—demographic data

Involve the community during program design

Quinn Parker, founder and CEO of Encolor, closed out E Source Forum 2022 by defining what it means to operationalize equity in utility programs (**figure 1**). According to Parker, operationalizing equity is about taking an abstract concept, like becoming equitable, and making it into concrete steps. Parker has more than 15 years of experience working with utilities and knows what changes utilities can make to improve equity for their customers.

Figure 1: How to make equity part of your day-to-day work

Quinn Parker delivered the closing keynote at E Source Forum 2022, explaining how to make equity a core competency by transforming it from a task or project into something that's ingrained in daily activities.


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Utilities won't meet their goals without taking equity into account when designing their programs and processes. Take demand-side management (DSM) and electrification, for example. "The current DSM framework leaves people behind," Parker told the audience. "The current goal is to attain the most amount of energy savings for the least amount of money. This framework will not work for electrification."

Programs designed without equity in mind are likely to underserve communities of people. Here are three actions you can take at your utility to make your programs more equitable.

Create a definition of equity for your programs

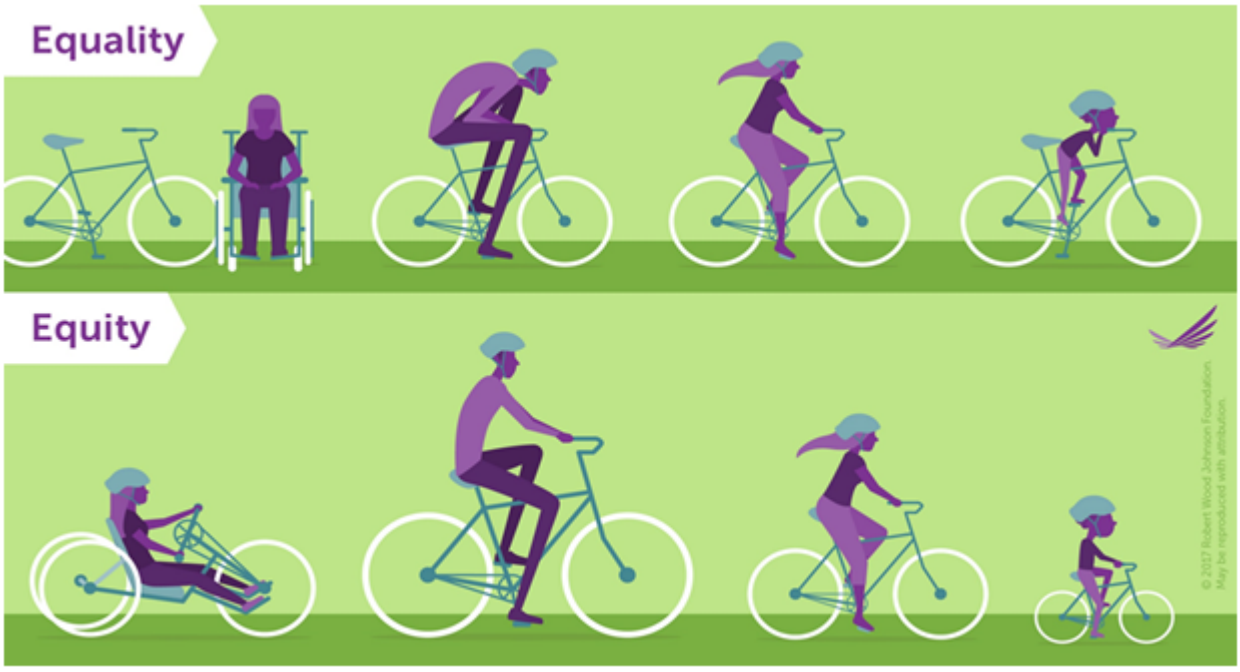
The first place you can start is by setting program goals related to equity. Decide what equitable outcomes you want your program to have. Also, look internally at your organization. Do you have a diversity, equity, and inclusion plan? Decide what equity would look like for your workforce.

Know the difference between equity and equality

If you want to create definitions and goals for equity in your programs, you need to understand the difference between equity and equality (**figure 2**). Equality means treating every person the same way, regardless of their burdens. Equity removes barriers and distributes resources based on need. Equality often fails where equity succeeds.

Figure 2: Equity versus equality

This graphic shows the difference between equality and equity. With equality, each person is given the same size bike, even if they're unable to use it. But with equity, each person is given a bicycle that fits their size and ability. The person in the wheelchair is given a handcycle and the child is given a kid-size bike.
Read more in our report What utilities can do to improve energy equity.



Source: Robert Wood Johnson Foundation

Parker shared a real-world utility example: Let's say you give every participant in a program $100. Some of the recipients had enough money to pay their bills before they received the $100, so the money becomes extra cushion in their pocket. Utilities call these customers "free riders."

Other participants use that $100 to pay their bills. These are the program's "ideal customers."

A framework for energy equity

Read our white paper The energy equity framework that benefits customers, utilities, and underserved communities to learn concrete ways to improve equity.

Finally, there are participants who still can't pay their bills, even with the $100. Their burdens are just too great. Utilities often think of these customers as "hard to reach" or "underrepresented."

The utility treats all three participant types equally, but the program isn't helpful for everyone.

For programs to be equitable, utilities need to give people what they need to succeed. This might look like helping a community in multiple ways. There's a ripple effect, and the help makes a bigger impact than an increased incentive would.

Consider the three pillars of equity

In her address, Parker explained the three pillars of equity all utilities should be mindful of:

- *Structural equity.* We see structural inequity when laws and regulations fail to recognize the burdens different demographics of people face. While this can be outside of your utility's control, you should still think about how it affects your programs. For example, you could highlight structural inequities for your regulatory bodies.
- *Procedural equity.* Are your program's processes inclusive? When you make changes toward equity, memorialize them with policies and procedures.
- *Distributional equity.* We see distributional equity when programs distribute benefits and burdens fairly across different groups of people. If you want to address inequities in your programs, you should be aware of how you distribute program benefits to different identity groups.

Parker gave an example of how program policies shape procedural equity. According to research from the JPMorgan Chase & Co. Institute, Cash is King: Flows, Balances, and Buffer Days, "The median small business holds 27 cash buffer days in reserve." But most utilities don't pay their vendors within that window. This makes it hard for small, local businesses to work with the utility. And supporting these businesses matters because it's one way utilities can invest in the communities they serve. Instead of a 30- or 60-day payment term, adopt a policy to pay vendors upon receipt.

Find a way to collect—and use—demographic data

You need to know how you're distributing the benefits and burden of your programs among different demographics of people in your service area to determine whether it's equitable. Is there a cost to the individual who participates in your program? Does this cost affect certain groups of people more than others?

Census data is a good place to start, with caution

Census data is a solid baseline to start with, but it often undercounts Black, Indigenous, and people of color (BIPOC). If you're using only census data, you may be missing out on information about key groups of people.

For example, the Energy Equity Project's interactive map lets you explore how energy burden impacts BIPOC.

Need help putting your data to work?

The E Source Audience of One solution uses high-resolution AI models to discover individual customer traits and behaviors, allowing utilities to serve each customer on a personal basis. Fill out this short form to start a conversation about your needs and how we can help.

Parker recommended supplementing census or other quantitative data by going into your community and collecting qualitative data. Find out what matters to the different groups of people represented in your service area.

And then do something with their answers. Don't just collect data; use it to ensure equity.

Consider your trade ally network's demographics

If you want your program to reach certain groups of people or certain communities, partner with trade allies in those communities. According to Parker, "A lack of diversity in your trade ally network equals a lack of diversity in your programs. If you don't have trade allies within communities, you're likely not getting into those communities."

Examine how you evaluate your programs

When evaluating your programs, measure the programs' success toward reaching your equity goals, not just savings. Use your definition of equity to create metrics for your programs.

It's not just what you're evaluating, but who is doing the evaluating. Does your evaluator understand the community the program's designed for?

It's not just what you're evaluating, but who is doing the evaluating. Does your evaluator understand the community the program's designed for? Your evaluators should demonstrate cultural competence. Ideally, the person who evaluates your program is part of the community the program is intended to help. They understand the culture and history of the people who use the program, and may even use the program in their own residence.

Parker explained that utilities often use survey data when evaluating their programs. Are you surveying the members of your community in an equitable way? According to the Energy Equity Project, 54% of adults struggle with reading. You could be collecting survey responses in a way that misses out on important feedback from many of your program participants.

Involve the community during program design

Often when a utility brings a program to a community, it's fully formed and ready to roll out.

Instead of building programs from the top down, try building them from the bottom up. Consult the community while developing your program. This way you can learn what people need so they'll benefit from the program.

And don't stop at bringing the community into your room; strive to be invited into theirs. Read our report Fulfilling the promise of energy equity stakeholder groups: Perfecting the process of engagement to learn more.

Host listening sessions

According to Parker, people don't know what to think about their utility. By hosting listening sessions, you can discover how members of your community feel about your utility and the programs you offer.

When you invest in local nonprofits or microbusinesses, you're helping an entire ecosystem and uplifting the community.

Include utility employees who are part of these communities too. Like affinity groups, listening sessions are a way to build trust and grow empathy with your employees.

Partner with people and organizations in your community

Do the employees building your program reflect the diversity of people the program will serve? Can your utility partner with local small businesses to invest in the community?

Parker shared the example of how Ameren Illinois partnered with the Peoria Guild of Black Artists to engage the community. Parker pointed out, "This utility has found any way possible they can bring the voice of the community into the room. They partner with this group to provide collateral in their programs." This type of partnership builds trust.

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