Underserved doesn’t mean undeserved: Bridging the equity gap in energy

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Underserved doesn’t mean undeserved: Bridging the equity gap in energy

At the E Source Forum 2023 keynote address, we had the pleasure of hearing from Naomi Davis, founder and CEO of Blacks in Green (BIG), and Eugene “Mitch” Mitchell, senior vice president and chief legislative officer of SoCalGas and SDG&E. Led by Eryc Eyl, senior solution director at E Source, the insightful panel discussion explored the fact that, while utilities have been making strides in ensuring equitable access to energy, there’s still a lot of work to do.

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Davis and Mitchell shared their perspectives on the challenges utilities and municipalities face in addressing equity issues (**figure 1**). The discussion centered on:

- Building effective business cases
- Navigating regulatory challenges
- Making sure that the transition to clean energy doesn’t leave low- and moderate-income communities behind

Figure 1: Equity, affordability, accessibility: Providing clean, safe energy for all

Listen to the discussion, hosted by Eryc Eyl, between Mitch Mitchell and Naomi Davis at the Forum 2023 opening keynote.


Equity, affordability, accessibility:
Providing clean, safe energy for all

Here are some of the key insights from the session, along with a few actionable steps for achieving greater equity in the energy industry.

Understanding the regulatory challenge

To make informed decisions, it's imperative for regulatory bodies to understand the diverse perspectives of communities. Mitchell expressed a profound concern about broken regulatory structures, emphasizing the need for decision-makers to step out of their offices and engage with the communities they serve. He illustrated this with a poignant example of a disconnect between California decision-makers sitting comfortably in their sweaters, sipping lattes in San Francisco, while residents battled intense heat in Fresno:

> It's hard to make the right decision if you don't have the right perspective of what's going on on the ground. We encourage our regulatory bodies to get out of their offices and come walk with us in our spaces to see who they're trying to serve and they're trying to take care of.

Davis echoed this sentiment, saying, "There's an extreme imbalance in the input that the regulators are receiving. ... We looked at a solution to generate more community voice at the public utilities commission." She then shared how BIG supported the Environmental Defense Fund in the creation of the Community Voices program to amplify community input in regulatory decisions. Davis explained, "The express purpose has been to announce, recruit, educate, and stipend community members in bringing their voice to the [Illinois Commerce Commission]. That means they're aggressively commenting. That means that they are showing up at hearings. They have been rehearsed and they are targeted."

The importance of financial support to ensure representation from all socio-economic backgrounds can't be overstated.

By recruiting, training, and compensating community members to take part in hearings, BIG sought to address the challenge of working-class individuals who may be unable to attend due to job commitments.

Eyl highlighted the critical aspect of compensating individuals for their time when engaging with regulatory processes. He noted how particularly relevant it was for working-class citizens who may face obstacles in attending hearings or taking part in decision-making forums. The importance of financial support to ensure representation from all socio-economic backgrounds can't be overstated.

Equity in less-progressive regulatory environments

Mitchell and Davis acknowledged the challenges working individuals face in less-equity-conscious areas. Mitchell's powerful statement that "poverty doesn't know partisan politics" underscores the universal nature of energy poverty, irrespective of political affiliations. Our panelists' key advice was to engage in direct conversations with customers, using polling and segmentation to understand diverse perspectives and relay this information to regulatory bodies.

It's crucial to help people understand their rights, especially those in oppressed populations who may

internalize blame for their financial struggles. The discussion touched on the importance of aggressively spreading information about affordability standards and advocating for legislative changes to address systemic issues. Davis said:

> Almost no one at the household level knows there is an actual standard in America for affordability: 3% to heat and cool, 3% for light—6% of your household income on your utilities. … We are bombarded every day with social media … whoever's messaging the most or the best is the person who wins inside your head. And why aren't we using those tactics to aggressively educate our households about the 6% standard?

Putting funding to work for equity

Utilities can and should take advantage of funding available to them—such as through the Inflation Reduction Act—to promote equity. Davis emphasized actively moving funds from federal regulatory channels to the front lines while Mitchell proposed a strategic focus on transitioning from diesel to hydrogen infrastructure, using federal funds to reduce costs for customers.

There's a great need for specialized programs tied to these funds. Utilities can see progress from initiatives like weatherizing homes, upgrading appliances, and helping community-wide transitions to clean energy.

No community left behind

The insights from our discussion with Davis and Mitchell supply a roadmap for utilities, municipalities, and regulatory bodies to address equity challenges in the industry. By fostering a deeper understanding of community perspectives, compensating individuals for their time, and actively using available funds, utilities can collaboratively work toward a more equitable and sustainable energy future. Embracing these principles will be crucial in making sure that no community is left behind in the pursuit of a cleaner and more equitable energy future.

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