

5. Creating Equity-Centered Program Goals

Oftentimes, equity of treatment, program access, and outcomes are expressed as a policy but not as a program requirement. Policymakers can change this dynamic by creating goals that align with energy equity policy. Identifying a goal or goals for energy efficiency programs that prioritize energy equity can make policy a program requirement. Aligning energy efficiency program goals with energy equity will ensure program administrators prioritize equal access to benefits and opportunities for meaningful participation of representatives from historically marginalized and/or excluded communities.

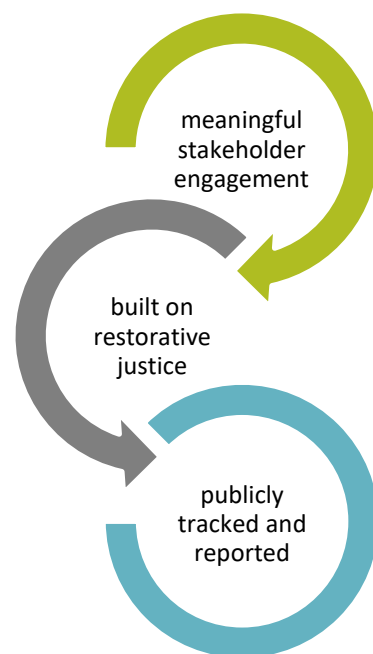
Typically, energy efficiency goals focus on first-year or near-term energy savings because energy efficiency programs have long prioritized near-term, cost-effective savings. These goals often take the form of [Energy Efficiency Resource Standards \(EERS\)](#), which are policies requiring utilities to achieve certain levels of customer energy savings. A state may have annual or cumulative savings goals expressed as percentages that increase over time. These goals, based on savings or cost-effectiveness, perpetuate disparities and inequities.

Aligning energy efficiency program goals with equity can begin to undo long-standing burdens disproportionately faced by low-income, minority, and otherwise historically marginalized communities. Further, it can send a signal to program implementers that energy efficiency program priorities are shifting to include energy equity as well as cost-effectiveness and energy savings.

Creating Equity Centered Goals

Establishing equity-focused goals is an important step in working towards more equitable energy efficiency programs. Several vehicles, including legislation, an order from the regulatory agency, or a request from advocates in the state, can be used to mandate that program administrators adopt and use equity-focused metrics. It is important that the process of adopting equity-focused metrics to determine the goals includes:

- ❖ Opportunities for meaningful stakeholder engagement that helps to formulate the goals
- ❖ Evaluation ensuring that goals are built on restorative justice and equity policy of the state
- ❖ Tracking and reporting in a public forum that provides clear progress reports on achieving these goals



Types of Equity-Centered Goals

Establishing state goals centered on equity encourages program designers to innovate in order to align with these goals and priorities. Below is an overview of potential goals that prioritize procedural, distributional, and structural equity with examples of these goals in action. Considerations of transgenerational equity goals are embedded in each.

Procedural Equity Goals

Procedural equity is when programs embed inclusive, accessible, authentic engagement and representation in processes to develop or implement programs and policies. Ensuring procedural equity means that community members have “authentic leadership roles that define, drive, and hold accountable clean energy policy and program decisions and outcomes.” Procedural equity goals require program administrators to engage and empower historically marginalized and/or excluded communities in stakeholder processes and in access to workforce opportunities.



- ❖ **Community Engagement Goals:** Community engagement goals measure actions supporting community members to define and drive program design and implementation of energy efficiency programs. Policymakers can set specific goals to ensure community membership in planning and organizational boards to foster more diverse composition of these boards, to interact more with community-based organizations, and to increase the number of community-based recommendations adopted as a policy or requirement for programs.
- ❖ **Workforce Representation Goals:** These goals ensure that the workforce and investments in businesses to implement energy efficiency programs are representative of the community the program is meant to serve. These goals are currently in place in Oregon, where the Energy Trust of Oregon developed a DEI Operations Plan with specific goals related to ensuring equity in workforce training and hiring practices. It included goals such as: increase participation in its Trade Ally Network among minority- and women-owned businesses, increase the number of projects completed by minority- and women- owned businesses, increase market awareness and understanding of underserved populations, and increase diversity in recruitment and hiring.

Distributional Equity Goals

Distributional equity ensures that programs and policies result in fair distribution of benefits and burdens across all segments of a community, prioritizing the highest need. Currently most energy efficiency programs require only that all residents have equal access to participate in programs, which is why most states have a low-income portfolio or set of programs or spending target. Creating distributional equity goals for programs will change the status quo because program administrators will be required to deliver



benefits to those historically marginalized communities. This shift will not only encourage program offerings for historically marginalized and/or excluded communities but also mandate that they produce results.

- ❖ **Equitable Distribution of Benefits Goals:** Equitable distribution of benefits ensures historically marginalized and/or excluded communities receive equitable benefits of programs, not just access. By creating a savings goal for environmental justice communities, moderate- and low-income customers, small businesses, and other historically marginalized groups, state policymakers will encourage program design to deliver to these areas, resulting in additional targeted resources that may have otherwise never existed. Targeted savings for historically marginalized and/or excluded communities also creates investment in buildings, homes, and local businesses, which builds community wealth.
- ❖ **Energy Affordability Goals:** Disparities in access to program benefits also manifest in energy bills and energy burden. Across the United States, the median energy burden for [Black households is 43 percent higher](#) than for White households. Creating a goal based on [energy affordability](#) can direct resources to these customers. This goal can be [implemented](#) through requiring a lower number of shutoffs, a reduction of energy bills, or indicating that programs have alleviated energy burden in the territory.
- ❖ **Participation Goals:** Setting a goal related to participation will mandate that programs provide benefits to residents of historically underserved territories or traditionally disadvantaged populations. By creating a mandate that requires participation, program administrators will have to design and deliver programs that address participation barriers. This can incentivize innovation and increase community outreach. This goal can be applied to increase renter participation, increase participation in underserved communities, and/or other areas identified by state equity policy.

Structural Equity Goals

Structural equity goals can institutionalize accountability so that decisions are made with recognition of historical, cultural, and institutional dynamics and structures have routinely advantaged privileged groups. These goals can ensure that programs do not perpetuate disparities and instead look to build community wealth by ensuring equitable access to economic opportunities in the energy efficiency workforce and ensuring access to clean energy technology for all customers.



- ❖ **Equitable Workforce Goals:** Communities of color [disproportionately lack access to jobs and wealth creation](#) opportunities that result from clean energy investments. Setting goals to encourage a more diverse workforce in local communities can foster career opportunities and economic growth in the energy efficiency industry for historically marginalized populations. Policymakers can set goals that encourage local hires, setting targets for the percentage of workforce that should reside within historically marginalized and/or excluded communities. They might also require that a percentage of businesses hired by program implementers be local businesses and/or minority owned. Equitable workforce goals can encourage the growth of a local workforce that is ready to be a part of the growing clean energy transition.

❖ **Equitable Market Transformation Goals:** Equitable market transformation goals built around delivering services to historically marginalized and/or excluded communities can increase access to programs and help to eliminate barriers to early adoption. A goal based on the number of weatherization projects completed can drive innovative program design to address barriers such as health and safety and siloed funding of state resources. Benchmarks on clean energy technology, such as heat pumps and electric stoves, can help address the barriers to adoption. Without intentional intervention, these policies can reinforce [economic and racial inequities](#). By creating a mandate to deliver programs to historically marginalized and/or excluded communities, policymakers can encourage the development of programs designed to advance the economic and environmental benefits of clean energy technology. For example, the [Efficiency Maine Trust](#) has a mandate to advance weatherization, heat pumps, and electric vehicles specifically in low-income communities throughout the state.

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