



Equity at the PUCs: E9 Insight Research on Pathways to Changing PUC Mandates

NARUC Annual Meeting 2021

Staff Subcommittee on Energy Resources and the Environment

November 2021

Research produced under contract with

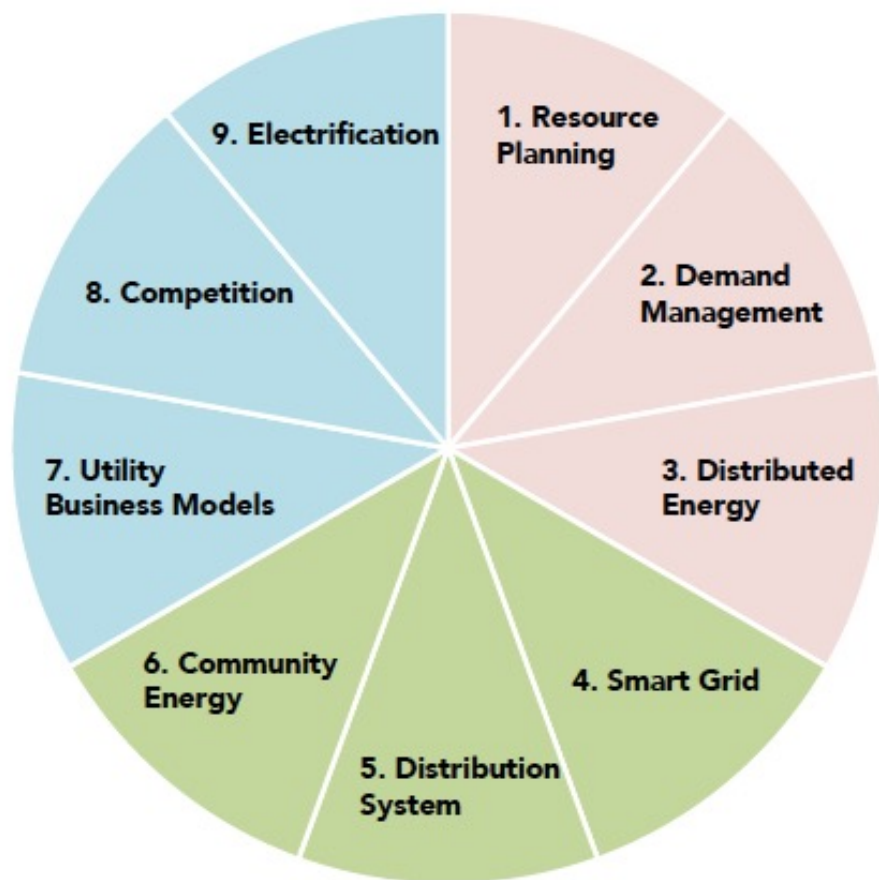


IMT
INSTITUTE
FOR MARKET
TRANSFORMATION



Image by Ericka Lugo

E9 Insight Overview



E9 Insight focuses on nine primary activity domains at state public utility commissions.

- E9 Insight is a boutique research and advisory firm focused on the regulatory and policy environment of the U.S. electric industry.
- Our mission is to help our clients find opportunities to transform the electric industry.
- Clients include Fortune 500, start-ups, government agencies, advocacy groups, etc.
- Docket database contains over 6,000 summarized dockets with key orders.
- Services consist of policy intelligence, analysis and diligence, and regulatory engagement.





Energy Equity

"If we are to accelerate our energy progress and enable our fellow Americans to fulfill their promise in every field, including energy, it is imperative that we redouble our efforts to include and expand the participation of underserved communities." Former U.S. Secretary of Energy, Dan Brouillette, [DOE Equity in Energy Booklet](#)

Why think about Equity?

“Awareness of social inequity problems is growing in the United States and globally.” *EPRI’s April 2021 Equity and Environmental Justice Considerations for a Clean Energy Transition*

Inequities exist in the energy sector across many fields:

- Energy access
- Affordability
- Proximity to generation plants
- Disconnections
- Access to programs and equipment
- Access to clean energy
- Clean air and water
- Representation and access to regulatory processes

As utilities respond to the aging grid, extreme weather events, decarbonization targets, and other directives, inequities are likely to be exacerbated unless specific policies are enacted to protect under-represented communities.

Equity across the industry

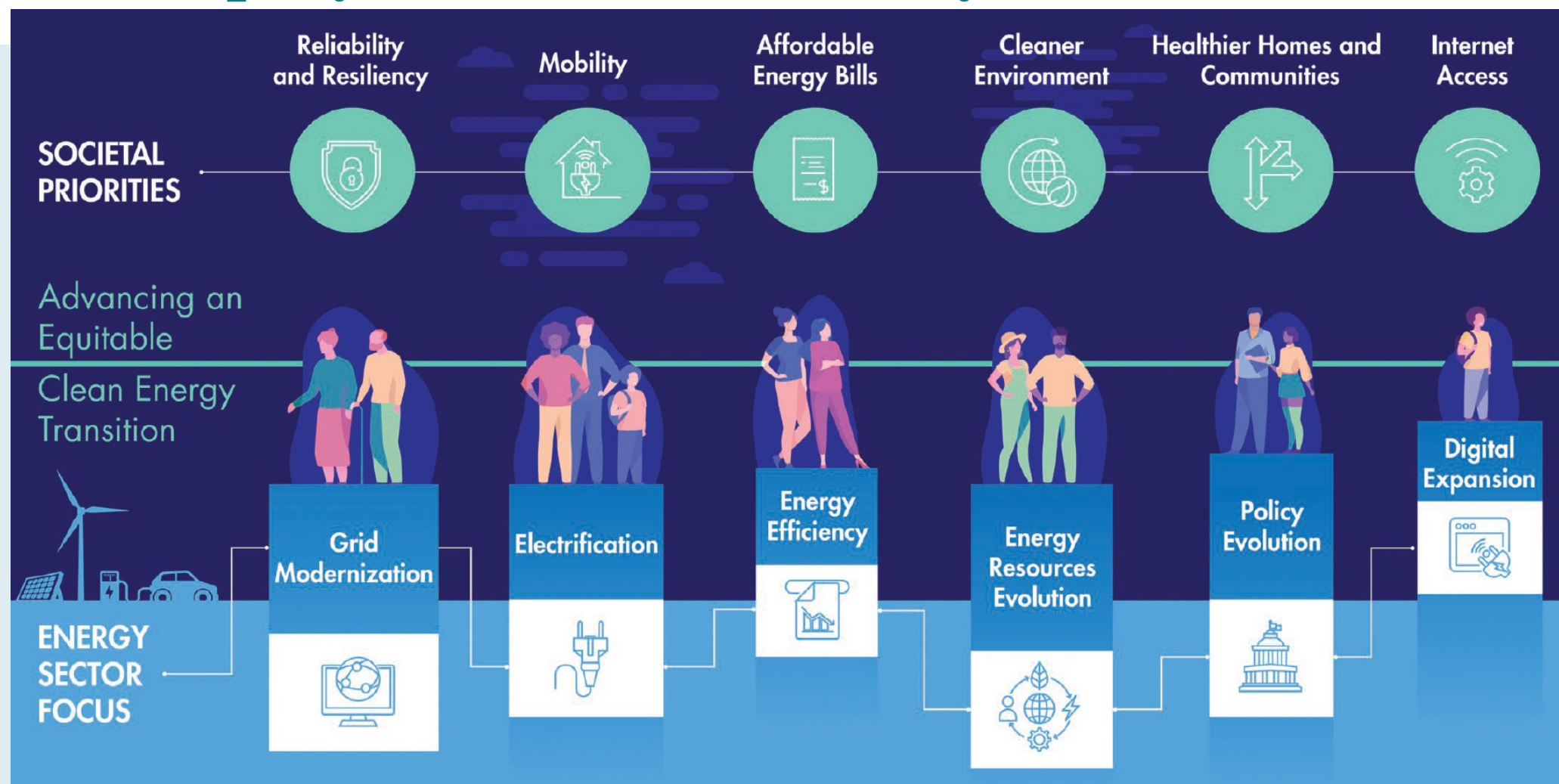


Image from EPRI's April 2021 [Equity and Environmental Justice Considerations for a Clean Energy Transition](#) report

Research Overview

Through July 2021, E9 Insight and Yale Center for Business and Environment were contracted with the Institute for Market Transformation (IMT) to conduct research on PUC mandates to consider equity and decarbonization issues. The project was scoped to identify the pathways to changing the PUC mandate, and to compare state policies, inter-agency coordination, etc. E9 looked at legislation, executive orders, and PUC dockets, while Yale analyzed statute.

The research demonstrated more equity-related activity than anticipated; nearly 100 reports, orders, bills, and utility filings were identified.



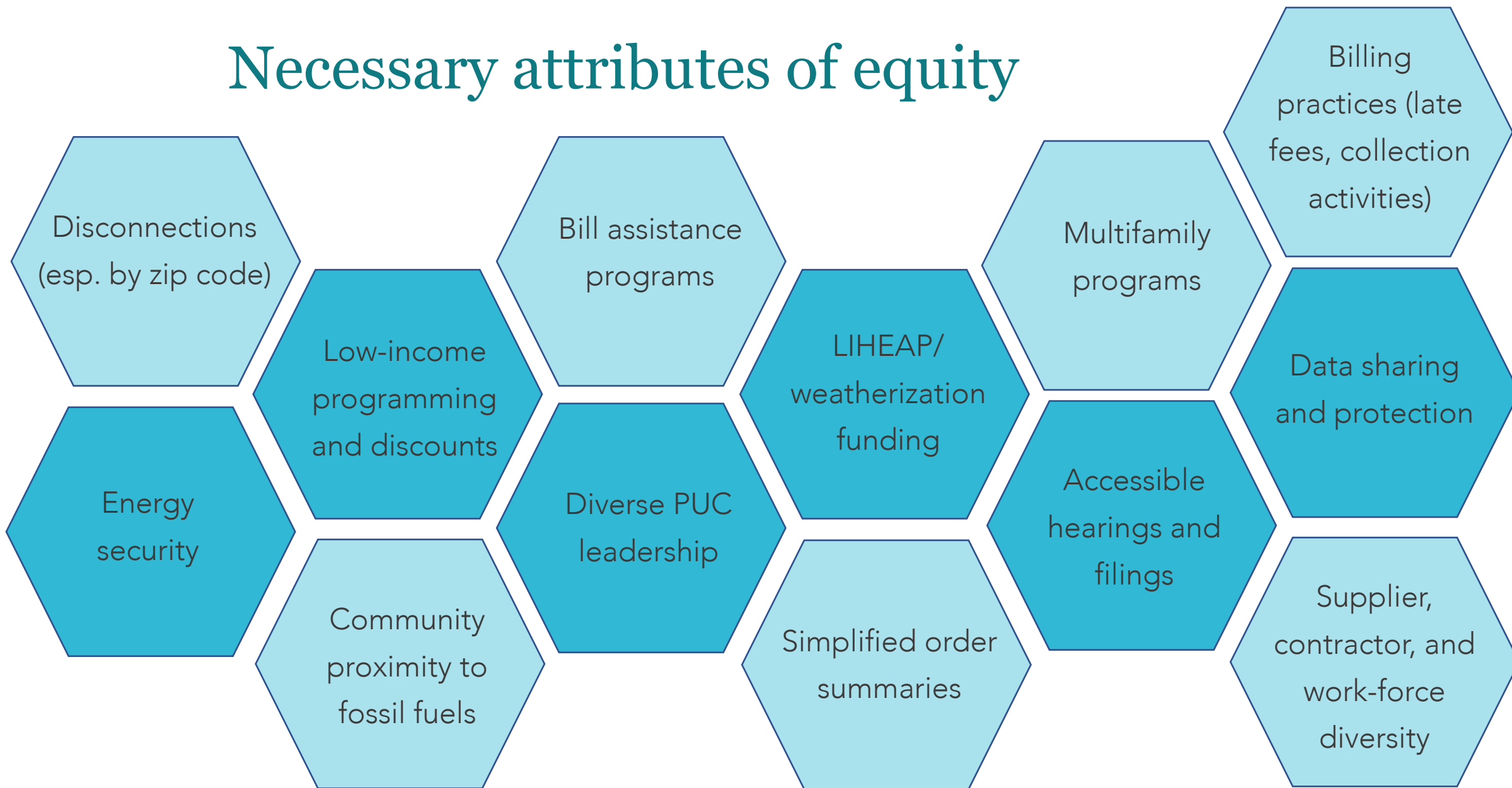
Please note that low-income programming is still a necessary part of any equity framework.



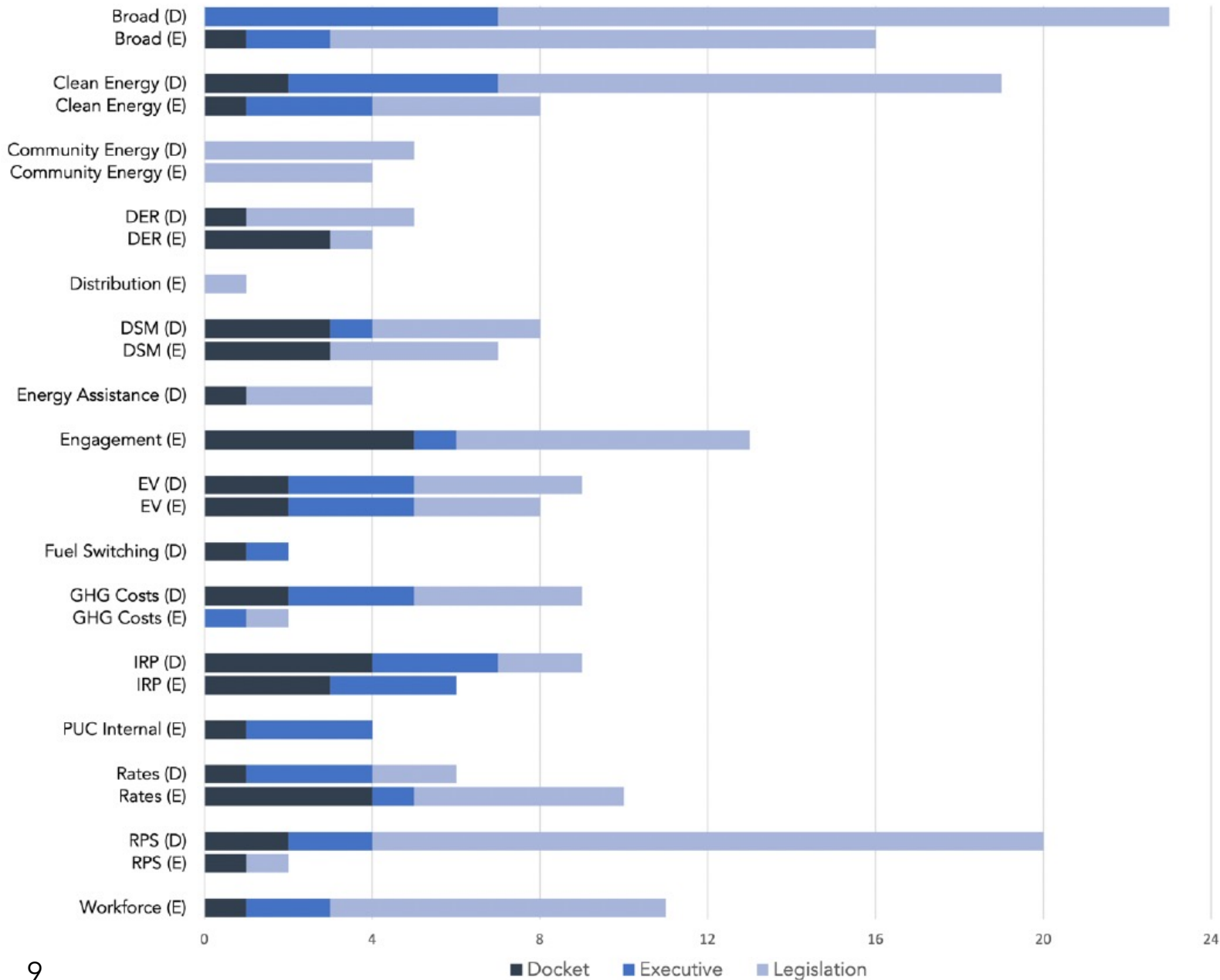
Lessons, definitions and scope

- Advisory Group members convened by IMT drew attention to important, necessary considerations when discussing “equity” at the PUC. Equity is intersectional and influenced by many factors (i.e. disconnections, billing practices; see next slide).
- E9 Insight’s research does not claim to evaluate these factors. Instead, the report identified cross-sectional, “modern” programs that focus on equity, environmental justice, disadvantaged communities, etc. **The advisory group suggests that without analysis of affordability issues, these programs do not tell the whole story.**
- Importantly, mandates that do not address affordability and energy access issues (PIPP, late fees, disconnections, LIHEAP, etc.) will not achieve equity.
- “Equity without affordability is not equity.”
- Greenwashing or whitewashing “equity” requirements is a dangerous and likely outcome.
- *Therefore, there is more research to be done, both by consultants and PUC staff.*

Necessary attributes of equity



Pathways for Changing the PUC Mandate: Decarbonization (D) and Equity (E)



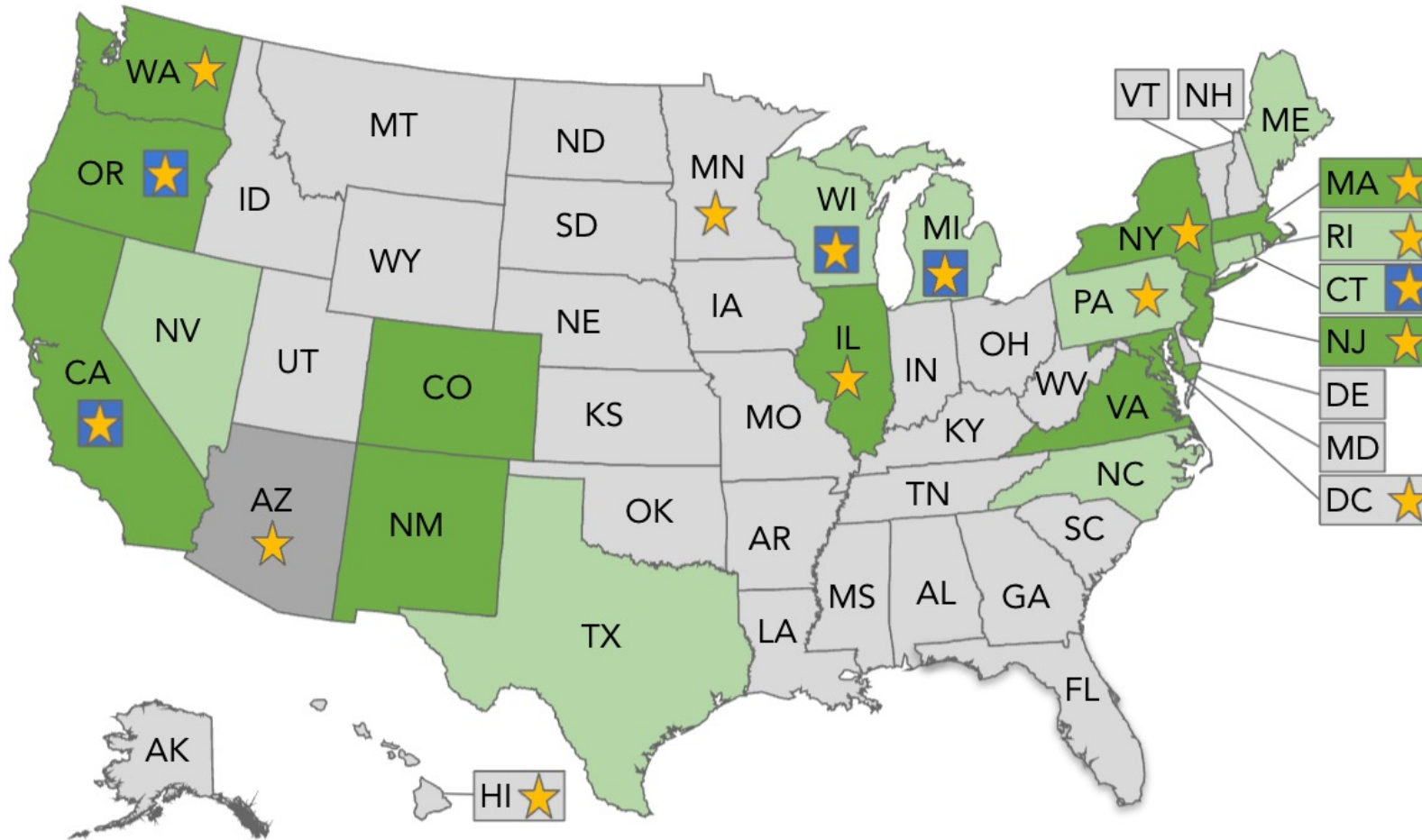
Equity Applications






E9 Insight categorized equity and decarbonization mandates by the program or process impacted.

IMT's Advisory Group brought special attention to "Engagement" activities that make dockets or hearings more accessible and "PUC Internal" efforts, which include diversity and inclusion plans.



Equity Activities and Requirements at U.S. Public Utility Commissions



-  Codified requirements to consider equity broadly
-  Codified requirements to support equity via specific programs
-  Pending requirements to consider equity
-  Internal PUC efforts to address equity
-  PUC order or initiative supported equity without explicit statute

E9 Insight research links

See links to the research memo and appendices at <https://e9radar.link/equity> , including [Appendix C: Activity Report](#) (with specific dockets, orders, and other links)

Research completed for IMT was concluded in July 2021. Therefore, more recent activities are not included, but the map on the previous page includes legislation from Illinois and North Carolina. Equity-specific dockets that were initiated by the PUC or that changed the PUC mandate were pulled into a docket index report for your convenience:

Equity and Equity-Adjacent Dockets: <https://e9radar.link/equitydockets>



IMT is not alone. In the last two years, these organizations have launched national research projects or initiatives related to energy equity:



Examples of National Equity Research/Initiatives

- ACEEE's [Leading With Equity initiative](#) incorporates an [equity](#) lens into numerous "score cards" (clean energy, energy burden, transportation electrification)
- CNEE's [Energy Communities in Transition](#) initiative provides resources and support
- E4TheFuture promotes clean, efficient energy [and prioritizes equity](#) in its work
- The Energy Democracy Project produced a [People's History of Utilities](#) and the [Utility Justice Playbook](#).
- The [Energy Equity Project](#) is developing a standardized framework for energy equity measurement
- EPRI's [Equity and Environmental Justice Considerations for a Clean Energy Transition](#) paper
- IMT's Incorporating [Energy Equity into Energy Benchmarking](#) report
- The [Initiative for Energy Justice](#) provides resources and leadership development to policymakers and advocates
- Institute of Electrical and Electronics Engineers' [Electricity Tariff Design via Lens of Energy Justice](#) report
- NARUC's "Innovation Webinar" on [Enabling Robust Stakeholder Engagement at Public Utility Commissions](#) and [Gender Equity](#) initiative
- NRDC has produced multiple articles, including [Eight ways Biden's Plan Could Build Equity in Our Infrastructure](#)
- Pacific Northwest National Laboratory is hosting an [Energy Equity](#) project
- RAP and Synapse Economics' [Sources of Inequities and Policy Solutions for Improving Community Health and Wellbeing](#) review equitable solutions
- RMI's [Just Energy Transition Spotlight](#) and [PUC Modernization Issue Briefs](#) focus on equity part of PUC modernization
- Sierra Club's approach to [100% renewable energy policies](#) includes equity and justice
- U.S. Department of Energy's [Equity in Energy™](#) initiative



When reading any publications, please consider...

- Who wrote the research, and what biases, privilege, and assumptions did they bring to the paper?
- Does the publication talk about the need to eliminate late fees, deposits and other punitive credit and collection activities?
- Do they advocate for the establishment of Percentage of Income Payment Plan programs and Arrearage Management Programs?
- Do they reference the need for discount rates for financially struggling customers?
- Do they recommend that states enact strong serious medical/medical certificate protections to ensure that people with medical conditions are not cut off from essential utility service because of inability to pay?
- Do they advocate for increased funding for LIHEAP and the funding of summer cooling LIHEAP programs from Congress?
- Do they address disconnection rates and policies?
- Are affordability and energy security metrics discussed and centered in the work?
- Were local or impacted communities consulted in the publication process? At what phase were they brought in for feedback?

Thank you for your time and attention.

Please reach out with any questions, curiosities, or suggestions about this research to:

Marguerite Behringer

mbehringer@e9insight.com

To learn more about E9 Insight or to work with us, please reach out to:

inquiries@e9insight.com

www.e9insight.com

... Or come see Marguerite or Cameron Brooks in between sessions. Bourbon, anyone...?