



**SEE EA**  
SOUTHEAST ENERGY EFFICIENCY ALLIANCE

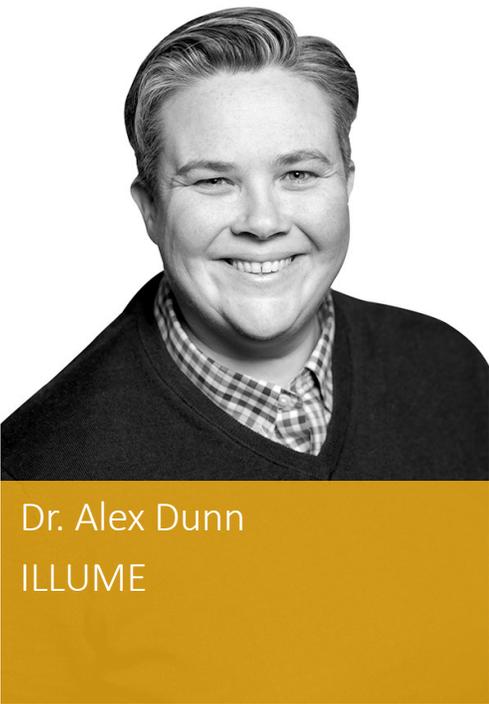
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# Maximizing Impact and Equity with Innovative Policy Strategies

Friday, December 8, 2023

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# Our speakers



## OUR MISSION

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To optimize the use and impact of energy to enhance the quality of life in the Southeast.

## OUR VISION

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All people in the Southeast live and work in healthy and resilient buildings, utilize clean and affordable transportation, and thrive in a robust and equitable economy.

## OUR VALUES

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### Take Initiative

We take responsibility for realizing a better quality of life in the Southeast.



### Earn Trust

We pursue our work with benevolence, competence, and reliability.



### Value Others

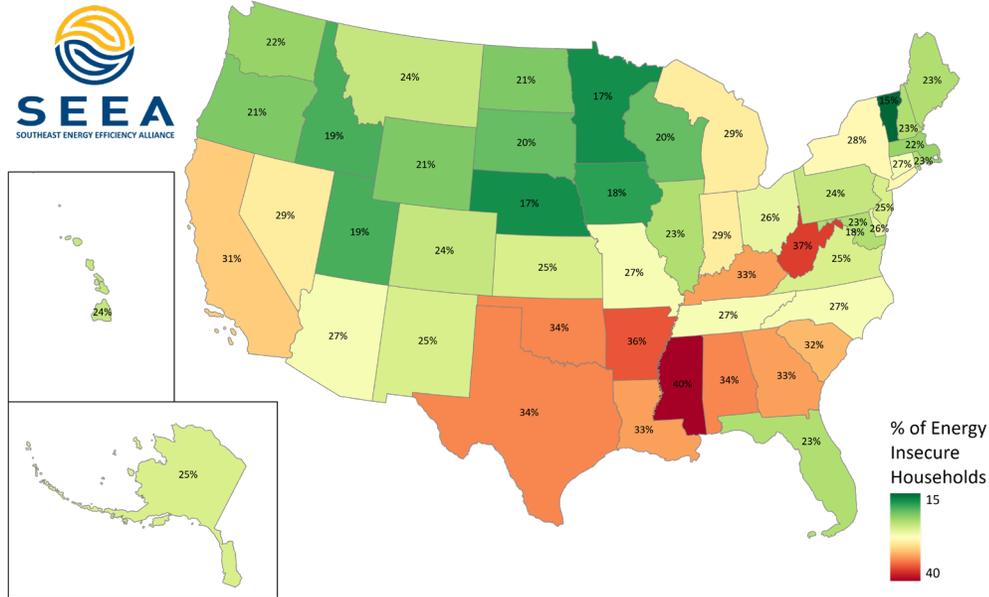
We seek, respect, and promote diverse perspectives.



### Pursue Equitable Solutions

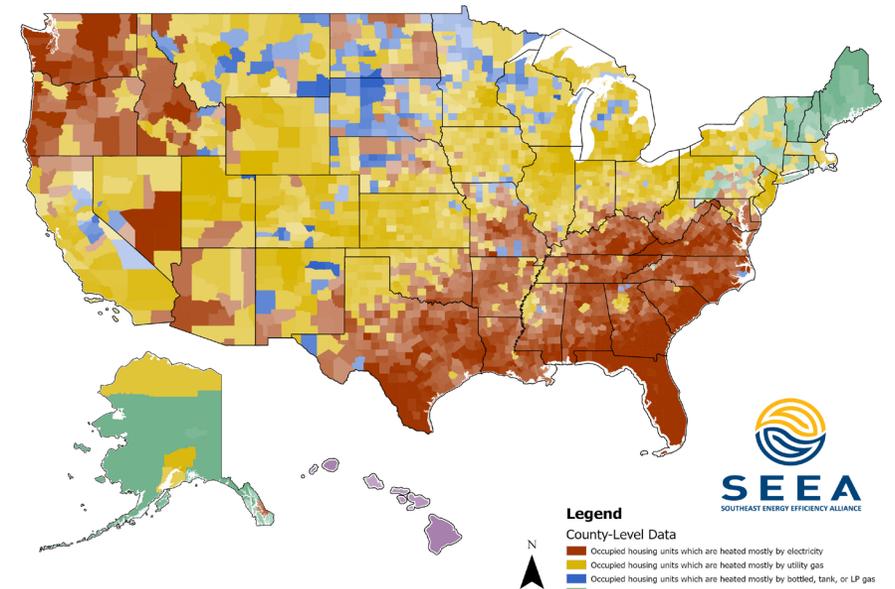
We recognize, acknowledge, and account for a history of prejudice and inequality in Southeastern communities.

# Challenges are great and complex



Map: SEEA. Data: 2020 EIA RECS.

Energy insecurity is acute in the South.



Map: SEEA. Data: American Community Survey.

The Southeast is more electrified than most of the U.S.



# Transforming Policy Into Impact and Equity

Alex Dunn  
Leigh Michael  
Pace Goodman

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ILLUME

# Agenda



**Alex Dunn**

Integrating Stakeholders  
Into Discussions on How  
to Operationalize Policy



**Leigh Michael**

Understanding Customer  
Barriers and How to  
Integrate Them When  
Taking Policy Into Practice



**Pace Goodman**

Avoiding Common Pitfalls  
When Implementing  
Policy-Designed Programs

# Translating Policy Into Practice

Congratulations,  
your legislation has  
passed... **now what?**



*“State agencies, authorities and entities, in consultation with the environmental justice working group and the climate action council, shall, to the extent practicable, invest or direct available and relevant programmatic resources in a manner designed to achieve a goal for disadvantaged communities to receive forty percent of overall benefits of spending on clean energy and energy efficiency programs, projects or investments in the areas of housing, workforce development, pollution reduction, low income energy assistance, energy, transportation and economic development...”*

# First Steps

## Establish a Working Group

Make sure to include representatives of communities who may be affected by the legislation.



## Set a Vision

The legislation may state what should be done, but we've found that often people interpret it differently.

## Ensure Moderator is Neutral

Conflicts will happen and each participants needs to trust the moderator.

# Dig In and Use Experts

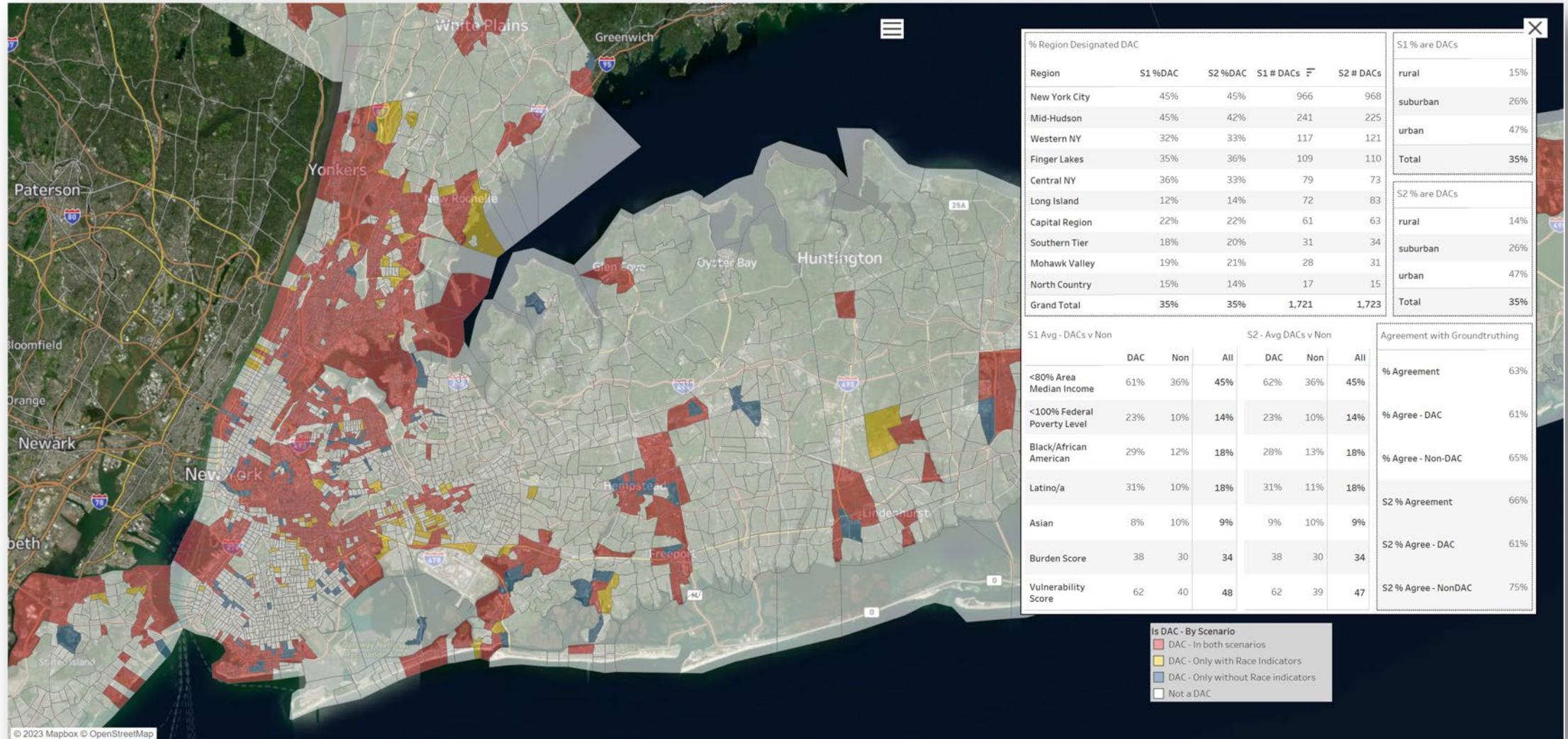
**Experts matter and can provide specific recommendations to help make the policy implementable.**

Things to keep in mind:

- If there are contentions across experts – have someone interview each expert and summarize positions.
- Ensure experts can provide evidence in the form of public presentations and provide time for in-depth questions.
- Provide documents in advance to the working group and ensure that the working group understand the technical terms needed to advance the conversation.
- Use visuals during complex conversations and try to enable live changes to data if you can.



# Example of Digging In and Using Visuals



# Create a Public Forum + Time for Private Discussion

**It's vital to create a public forum for this process. Equity-related policy should NOT be interpreted into programs without public access.**

1. Online and on-camera webinars are important to maintain trust for all working group members and the public.
2. For these public meetings, commenting and speaking should be restricted to working group members only.
3. Public comments and discussions can be reserved for separate meetings.

## **Private discussion is also essential!**

- Provide times when working group members can discuss nuances in smaller groups privately.
- Provide general summaries of these meetings in written documentation for the public to review if they are interested.

# Understanding Customer Barriers





# Traditional Program/Service Design

*“What do we **think** we’re trying to solve?”*





# Rethinking Program/Service Design

*“What did we **hear** that we need to solve?”*





# Listening: Understanding Customer Barriers

## ComEd (Illinois)

**26 interviews** with community-based organizations that represented:

- Energy justice
- Environmental advocacy
- Community development
- Public health
- Economic development
- Civil rights
- Legal services



## New York

**8 focus groups (65 participants)** with:

- Individuals
- Business owners
- Nonprofit staff

**2 public hearings (97 attendees)**  
to collect feedback



# What Barriers Exist? How to Address Them?





# Example (Birds Eye View)



## Community Perspectives and Trust

**DAC customers may perceive limited benefits or value of programs.** Utilities may lack focus on DAC community priorities (e.g., emphasis on EVs and high-efficiency appliances instead of broader mobility, weatherization, and other public safety and service concerns).



# Example (Birds Eye View)



Recommendation

**ComEd should explore programs and services that provide direct value to customers in DACs.**

## Opportunities

**Incorporate local air quality and human health into program design.** *[ComEd can directly address]. [ComEd can support through advocacy with ICC].* To advance beneficial electrification, ComEd should supplement the EV tax credit to ensure that all medium- and heavy-duty vehicles, especially in communities near ports, warehouses, and intermodal hubs, can leverage participation in transportation electrification efforts. This will have a beneficial impact on air quality and public health. ComEd should consider these impacts when evaluating the benefits of such initiatives.

**Account for the safety impacts of customers' efforts to save money.** *[ComEd can directly address]. [ComEd can support through advocacy].* ComEd should examine the impacts of supplementing its winter shutoff moratorium with a program targeting members of DACs who may shut off central heating and use space heaters in the winter to save money.



# Translating Policy Into Practice





# In-Practice Example

## Electrifying Space Heating in Disadvantaged Communities (DACs)

### **Electrification policy and stipulation requirements may include specifics around:**

- Claimable energy or greenhouse gas savings
- Overlap of energy efficiency and beneficial electrification
- Funding channels, spend requirements, and caps
- Participation or savings targets
- Cost-effectiveness requirements



# Good Intentions



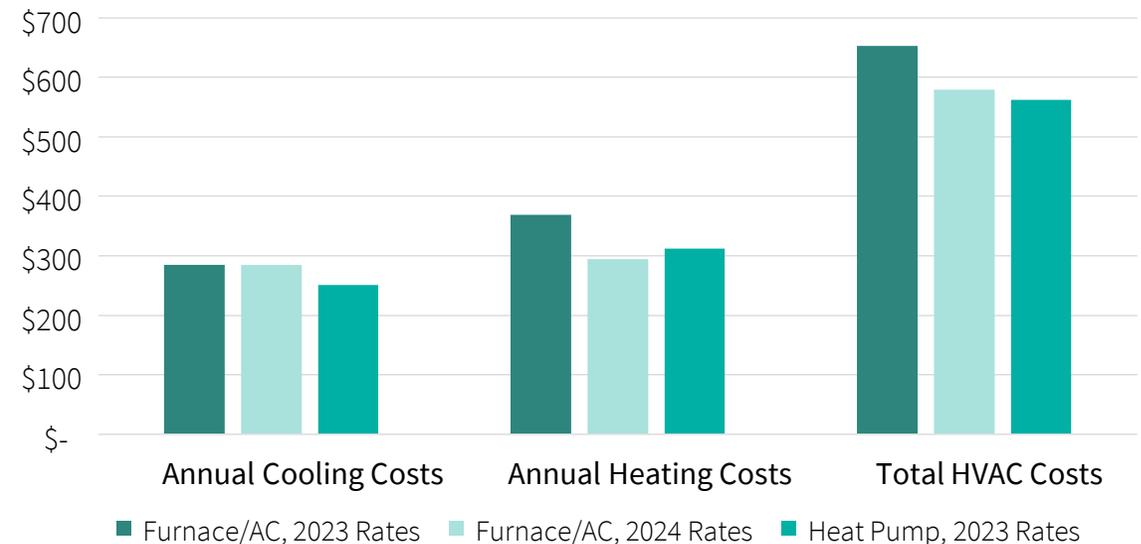
- Prioritizing electrification for DAC is with good reasoning, which includes to:
  - Ensure access to innovative technology and benefits for these communities.
  - Avoid consolidating the financial responsibility of maintaining natural gas infrastructure to only those customers who can't afford to convert their homes or businesses to all electric appliances.
- These are important considerations to keep in mind. It is also important to be aware of unintended consequences to monitor.

# Unintended Consequences

**Customer bill impacts** can pose a challenge when electrifying space heating.

- Natural gas is often cheaper than electric energy per unit of energy.
- Bill impacts can vary throughout the year.
- A range of bill impact outcomes is possible within a given program, depending on rates, natural gas price volatility, price forecasts, and system performance.

## Tennessee Residential Cooling and Heating Costs



**Heat Pump Efficiencies:** [https://ashp.neep.org/#!/product\\_list/](https://ashp.neep.org/#!/product_list/)

**Electric Rates by State:** [https://www.eia.gov/electricity/monthly/epm\\_table\\_grapher.php?t=epmt\\_5\\_6\\_a](https://www.eia.gov/electricity/monthly/epm_table_grapher.php?t=epmt_5_6_a)

**Natural Gas Rates by State:**  
[https://www.eia.gov/dnav/ng/ng\\_pri\\_sum\\_a\\_EPG0\\_PRS\\_DMcf\\_m.htm](https://www.eia.gov/dnav/ng/ng_pri_sum_a_EPG0_PRS_DMcf_m.htm)

**Tennessee Energy Profile:**

[https://www.eia.gov/consumption/residential/reports/2009/state\\_briefs/pdf/tn.pdf](https://www.eia.gov/consumption/residential/reports/2009/state_briefs/pdf/tn.pdf)

**EIA Short Term Forecast:**

<https://www.eia.gov/outlooks/steo/report/natgas.php#:~:text=We%20forecast%20the%20residential%20price,their%20homes%20with%20natural%20gas.>

# Other Unintended Consequences



## **Installation Costs**

Electrifying older homes can cost over \$50,000.



## **Disconnect**

Customers in DAC may not be aware of electrification and may not see any value for them.



## **Grid Impacts**

Electrification may require additional grid investments in many places.

# Considerations for General Policies

- Test the policy in-practice.
- Be comprehensive but expect you may not have thought of everything.
- Make sure to have research and evaluation teams well set up to support programs when already in-flight.
- Don't wait.





# Translating Policy Into Practice

*In Summary*



Integrate EJ advocates into the process, make it open and engage often, and have a neutral moderator.



Take time to listen to impacted communities before you begin to design solutions.



Don't wait, but test program designs and be prepared to address real challenges while programs are operating.

# Q & A

# Thank you!



We want to hear from you!  
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