

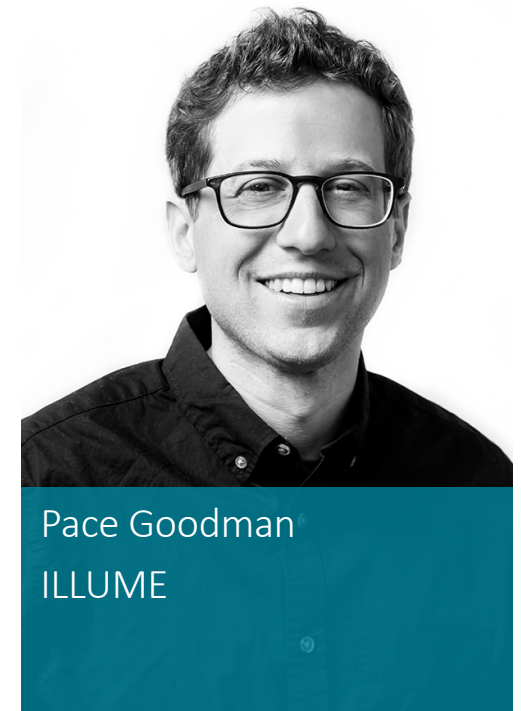


SEEA
SOUTHEAST ENERGY EFFICIENCY ALLIANCE

Maximizing Impact and Equity with Innovative Policy Strategies

Friday, December 8, 2023

Our speakers



OUR MISSION

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

OUR VISION

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



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

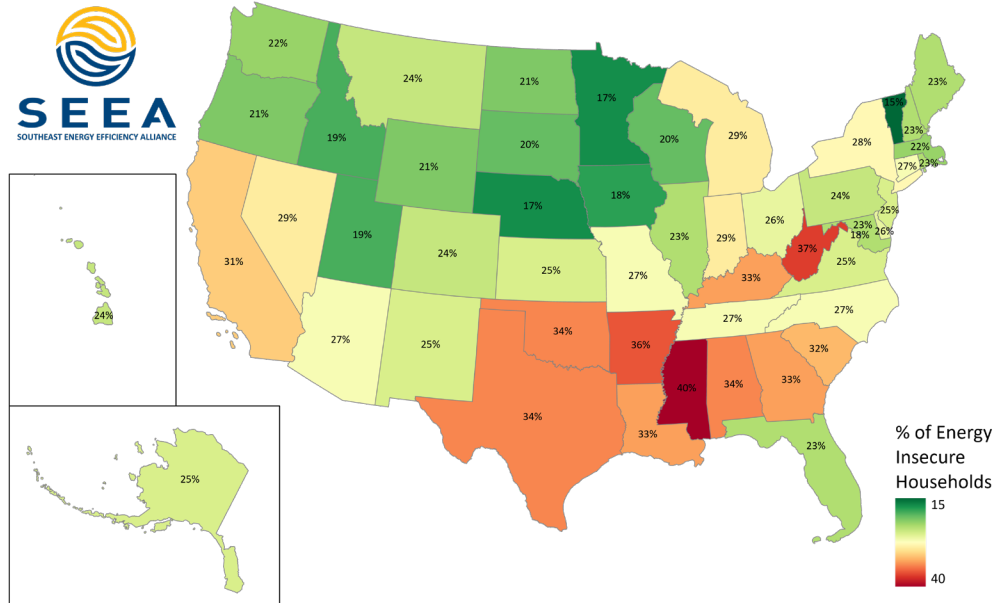
We seek, respect, and promote diverse perspectives.



Pursue Equitable Solutions

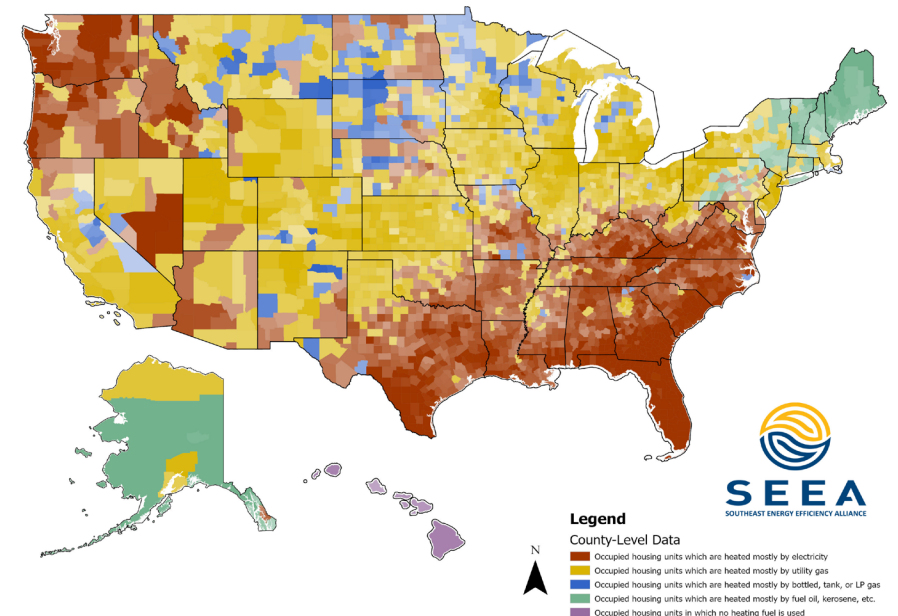
We recognize, acknowledge, and account for a history of prejudice and inequality in Southeastern communities.

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

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.

1

Set a Vision

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

2

Getting Started

Ensure Moderator is Neutral

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

3

Dig In and Use Experts

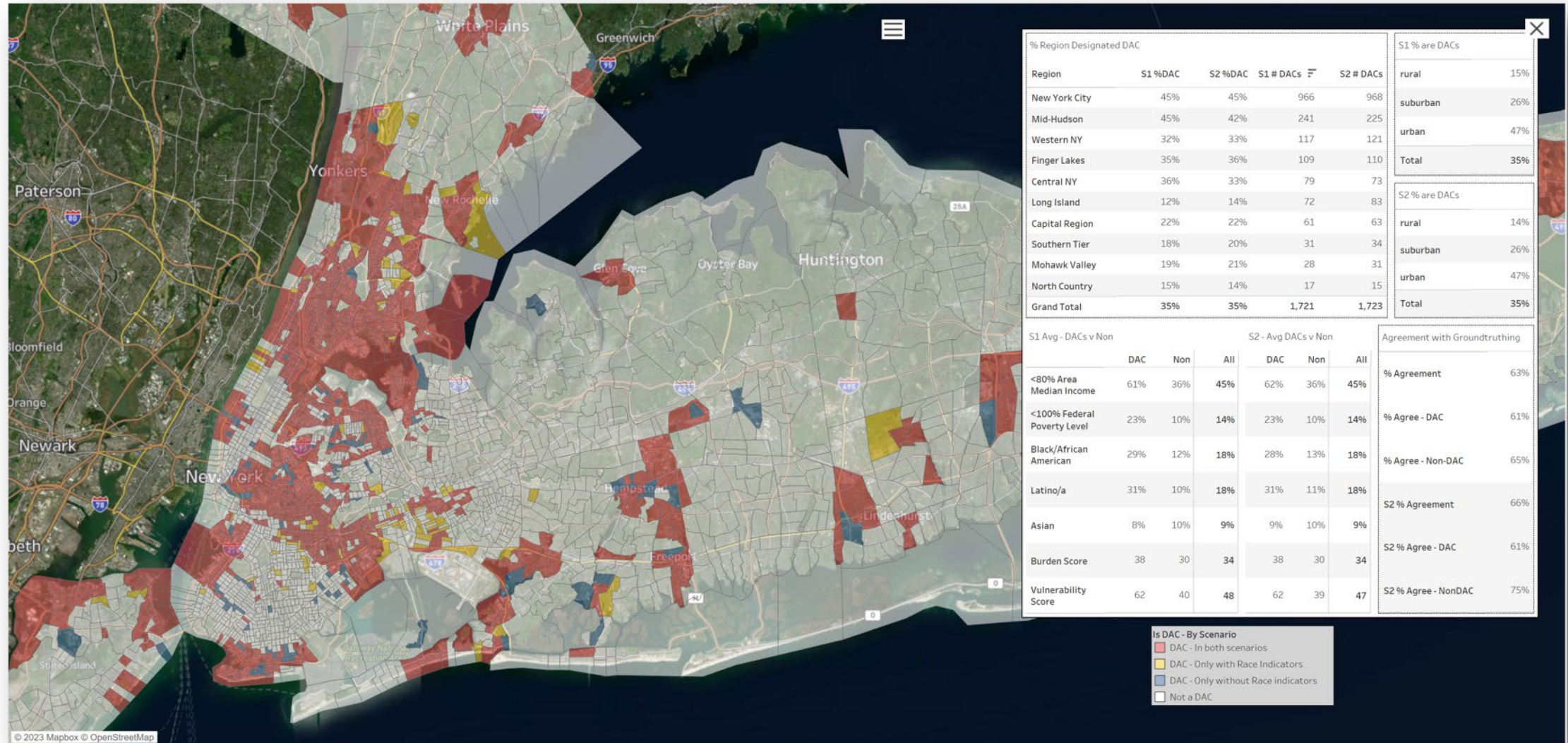
Experts matter and can provide specific recommendations to help make the policy implementable.

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

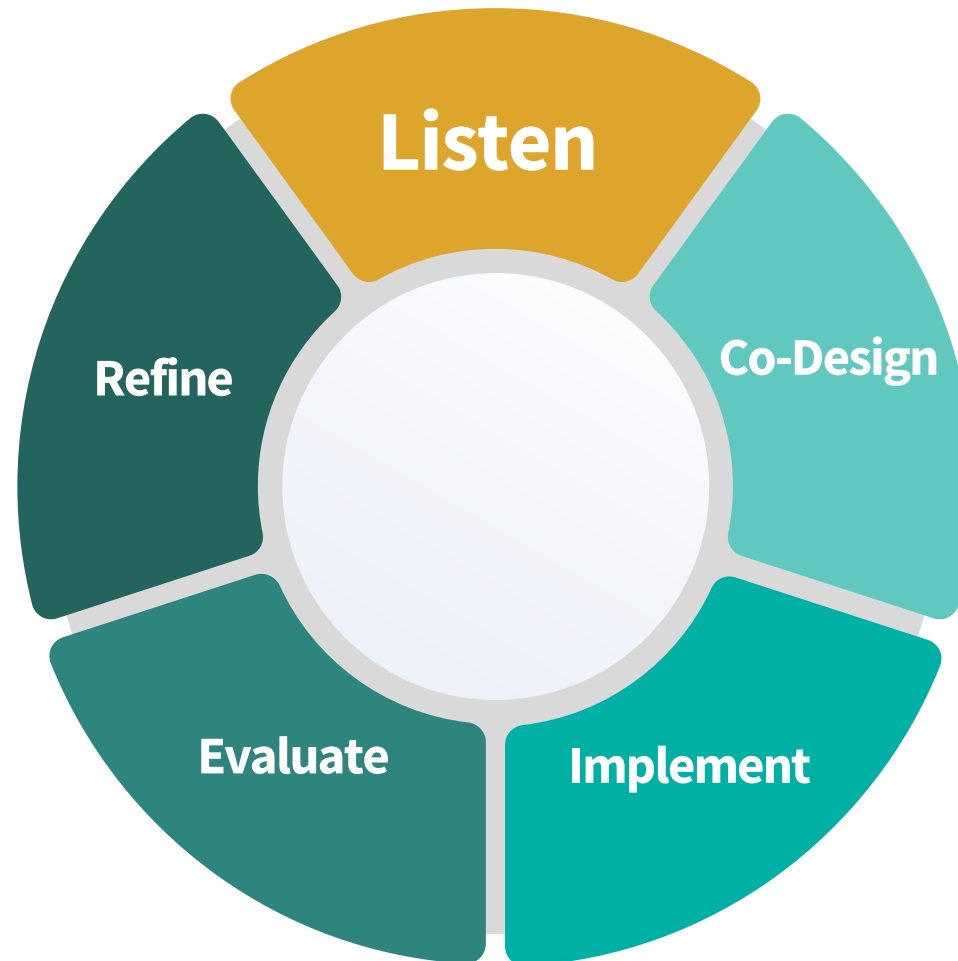
*“What do we **think** we’re trying to solve?”*





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?

Listen >>> Articulate Barriers >>> Identify Constraints >>> Create Recommendations >>> Identify Potential Opportunities





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



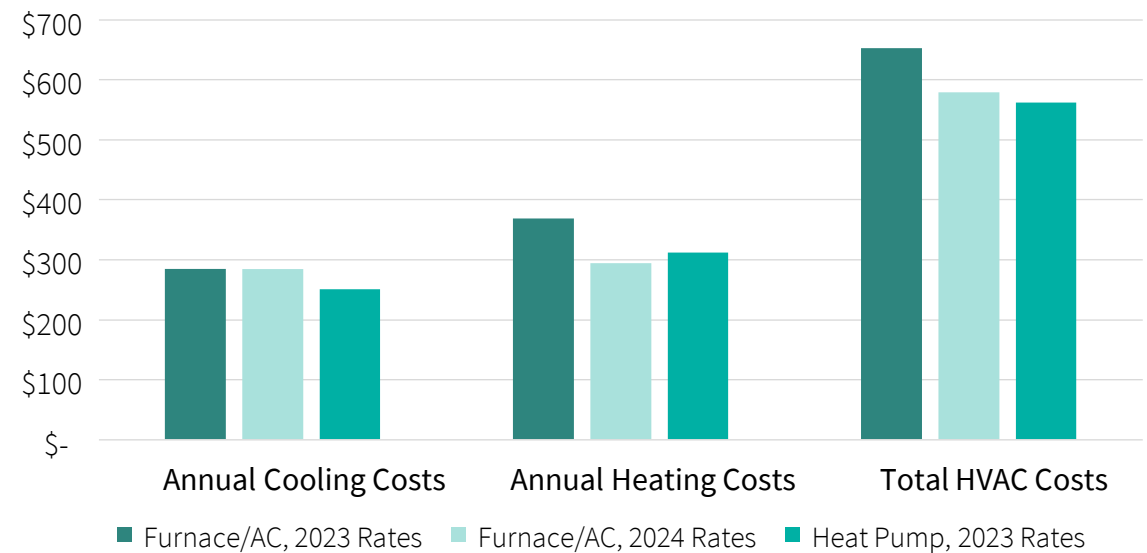
- Prioritizing electrification for DAC is with good reasoning, which includes to:
 - Ensure access to innovative technology and benefits for these communities.
 - Avoid consolidating the financial responsibility of maintaining natural gas infrastructure to only those customers who can't afford to convert 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/

Electric Rates by State: 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

Tennessee Energy Profile:

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%20h,omes%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

Including Perspectives

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

Customer Barriers

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

In Practice

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

Q & A

Thank you!



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