

Industry Spotlight, “Equity in Energy Efficiency”

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Agenda

- ▶ Introduction of diversity and equity challenges in the EE Industry
- ▶ Reflections from different perspectives
- ▶ Open dialogue and discussion with all stakeholder points of view

Diversity & Equity Challenges in the EE Industry

Framing the Challenge:

Benefit and impact from EE jobs, business engagement, and program participation is not equitably spread across communities of different socioeconomic status and ethnicity.

Understanding the Barriers:

- ▶ Awareness and engagement
- ▶ Lack of opportunities
- ▶ Trust of those delivering
- ▶ Access - language, education, financial resources, etc.
- ▶ Workforce development and long term commitment

Diversity & Equity Challenges in the EE Industry

National Perspective:

- ▶ ACEEE Platform
- ▶ The Urban Energy Justice (UEJ) Lab – University of Michigan
- ▶ Gulf Coast Center for Law & Policy

Statewide Energy Policy that is Supportive

Diverse Energy Efficiency Workforce is Supported by Commission Policy and the Law:

- ▶ Annual Utility Supplier Diversity Reports - procurement goals and actual spending for female-owned, minority-owner, veteran-owned, and small business enterprises in the previous calendar year,[] and the utilities' plan for implementing and realizing their goals for the following year. (Section 5-117 of the Public Utilities Act)
- ▶ Docket No. 17-0311 – Final Order (Sept. 11, 2017) at 63: “The Commission is strongly supportive of the Plan’s emphasis on serving low income customers in the Company’s service territory, and developing new economic and energy efficiency opportunities for diverse individuals and communities.”

FEJA:

- ▶ “Implementation of energy efficiency measures and programs targeted at low-income households should be contracted, when it is practicable, to independent third parties that have demonstrated capabilities to serve such households, with a preference for not-for-profit entities and government agencies that have existing relationships with or experience serving low-income communities in the State.”
- ▶ Utility Job Training

Statewide Energy Policy that is Supportive

Illinois Utilities Business Diversity Council (IUBDC)

- ▶ The IUBDC was formed in 2015
- ▶ To increase business opportunities for diverse suppliers through closer collaboration, technical development and sharing of best practices among Illinois' leading utilities.
- ▶ IUBDC charter members include Ameren Illinois, ComEd, Illinois American Water, Nicor Gas, North Shore Gas and Peoples Gas.
- ▶ In 2017, IUBDC facilitated buy/sell relationships with leaders of diverse companies in sectors such as engineering, consulting, finance, legal, real estate and technical services.
- ▶ Targeted events and outreach initiatives, IUBDC opened the door for more than 400 diverse companies to do business with the utilities in 2017.

IMPACT

- According to the economic impact study:
- Sourcing from diverse suppliers **increased by nearly 8 percent** over the previous year.
- In 2017, spending with diverse suppliers supported **14,200 jobs** in Illinois and increased employee wages by **\$798 million** throughout the Illinois economy.
- In addition to adding **\$2.05 Billion to the state's gross domestic product**, spending with diverse suppliers enabled federal, state and local governments to collect a total of **\$341.5 million** in taxes.
- The purchase of **\$1.05 billion** from diverse suppliers supported more than **7,000 jobs** at diverse supplier companies. Employees of diverse suppliers earned **\$411 million** in wages.

Reflections from Different Perspectives

Theories for Addressing this Inequity:

Strategic Partnerships with Community Based Organizations

- ▶ Leverage their existing contact points with customers as EE outreach opportunities to increase awareness
- ▶ Build on their existing relationship with the community to foster trust

Workforce Development

- ▶ Increase access by creating a network of professionals in these communities
- ▶ Offer training and mentorship opportunities for members of these communities in the places they live
- ▶ Connect employers and job seekers in these communities

Reflections from Different Perspectives

Impacts of Addressing Barriers to Participation:

- ▶ Increased number of trained professionals representing the socioeconomic and ethnic diversity of the communities in utility service territories
- ▶ Increased number of businesses that are participating in, and benefiting from, the EE economy by designing and delivering EE programs and services.
- ▶ New participants can drive job creation and economic development
- ▶ Increased number of EE program participants that reflect the socioeconomic and ethnic populations in utility service territories.
- ▶ Greater EE savings across the entire portfolio and secondary benefits such as increased comfort and lower bills in the households and businesses that need it the most from disadvantaged communities

Open Discussion

1. What is the vision for EE delivery in these communities that goes beyond traditional income qualified approaches?
2. How could we explore using existing tools in Illinois to achieve these goals such as using the market transformation framework to strategically address for long term impact?
3. What are the barriers to these goals and how do we get beyond the ones that have stalled progress for the last few decades in the EE industry?
4. What do we want to see done over the next 5 years to support job development in disadvantaged communities?
5. How can SAG support these efforts?

For Additional Information

Leveraging Community Engagement for Maximum Energy Efficiency Impact, Kristol Simms and Lauren Casentini

http://aceee.org/files/proceedings/2018/node_modules/pdfjs-dist-viewer-min/build/minified/web/viewer.html?file=../../../../../assets/attachments/0194_0286_000103.pdf