Equitable Access & Just Transition to Clean Energy

Achieving climate justice while ensuring equitable access to energy for all North Carolinians

Globally, climate change and the cost of energy threaten the world's most vulnerable populations. In the United States (like across the globe), the most historically marginalized people - people of color and people living in poverty - are and have for decades been disproportionately affected. In North Carolina, there are 1.4 million people who are energy cost-burdened[1], meaning that they live with unaffordable energy bills. Many of these same communities which are burdened with the environmental and health risks associated with the fossil fuel industry also face structural unemployment and underemployment, lacking access to good, quality jobs with benefits and family-sustaining wages.

Though North Carolina's clean energy industry has had an economic impact of $28.2 billion and supported 169,127 jobs annually from 2007-2018[2], many people living in poverty have not seen the benefits of this growth. As consumers of energy, people living in poverty have not benefited financially from clean energy resources, and as workers they have not benefited from access to careers in the renewable energy or energy efficiency industries. For instance, in 2018 fewer than 50% of Solar PV Installers[3] in North Carolina received a "living income standard" for a household with one adult and one child.[4] The health and growth of the renewable energy industry demands a highly skilled and thus well compensated work force.

Equity-focused public policies that improve 1) energy affordability and 2) access to quality jobs in the clean energy economy can help remedy the above problems. Putting vulnerable communities first in North Carolina's transition to a clean energy economy is vital to eliminating the disparity between those who experience an energy burden and those who benefit from the growing clean energy and energy efficiency industries. Below we recommend specific actions to ensure equitable access to energy and good jobs for all North Carolinians.

Policy Recommendations to Address Energy Equity in NC

Need	**Policy Recommendation**	**Decision Maker(s)**	**Action(s) Needed**
Reduce the disproportionate burden communities of color and poor communities bear from polluting facilities and other industrial operations that contribute to climate change, harm air/water quality, and extract resources	Expand DEQ's authority to require the use of Cumulative Impact Mapping & Analysis and an Environmental Justice Impact Analysis in decisions regarding permits and permit renewals.	Legislature DEQ	Legislative action needed to give DEQ this authority DEQ may need to make investments in monitoring ($$ from state budget)
Reduce the disproportionate burden communities of color and poor communities bear from climate impacts	Carbon pricing policy that dramatically reduces carbon emissions and sets up Polluter Pay Funds, with the majority of revenue going back to frontline and vulnerable communities. Green For All: Effective Carbon Pricing Policy	Legislature	Legislative action needed

[1] People are considered "energy burdened" when 6% or more of their income, a disproportionate amount, goes towards energy bills.NREL Low-Income Energy Affordability data. https://openei.org/doe-opendata/dataset/celica-data
[2] RTI International. Economic Impact Analysis of Clean Energy Development in North Carolina —2019 Update
[3] BLS. Occupational Employment and Wages, May 2018, https://www.bls.gov/oes/current/oes472231.htm
[4] NC Justice Center. A Standard Worthy of North Carolina Workers. https://www.ncjustice.org/wp-content/uploads/2019/04/Living-Income-Standard-2019.pdf

	Targeted investment in resilient infrastructure and technical assistance for flood mitigation and climate adaptation/resilience planning in climate-vulnerable and low income communities.	DEQ, Housing Finance Agency, USDA, NCORR	
	Increase funding to the NC Housing Trust Fund.	Legislature	
Make rates/energy costs more equitable and affordable	Implement a Percentage of Income Payment Program combined with a weatherization component - Ohio PIPP / EPP and Maryland examples.	Legislature, NCUC, DEQ, NCCAA	Regulatory change from NCUC based on legislative action
	Include non-energy benefits (NEBs) in cost-effectiveness testing.	NCUC, Legislature	Regulatory change from NCUC; Might require expanding statutory language
	Eliminate or dramatically reduce fixed charges[5]	NCUC	Regulatory change from NCUC
Expand energy efficiency as a tool for resilience and as a way to increase housing quality and economic stability of low income households	Invest additional dollars for low-income home repair, energy efficiency, and weatherization programs (also, see PIPP above), and appliance rental programs, particularly for multifamily housing and mobile homes.	DEQ, Governor, Legislature, NCORR	Additional state funds need to be allocated towards this
	Create project management coordination system for delivery of energy efficiency, urgent repair and weatherization programs.	DEQ	
	Expand tariffed on-bill financing programs for rural cooperatives and municipal utilities by creating, hiring, or facilitating the NC Electric Membership Corp (NCEMC) to be a state-level program administrator.	NCEMC	NCEMC, possible legislative action needed, federal funding (USDA)
Support sustainable economic development in low income and disadvantaged communities	Create a Green Bank & Loan Loss Reserve Fund to make energy efficiency, renewable energy and building repair dollars available to residents, businesses, municipal utilities and institutions such as schools, faith institutions, and local governments. Connecticut & New York examples Encourage Women Minority Owned Business Enterprise (WMBE) contracts and hiring through tax incentives and policy requirements.	DEQ, Dept of Commerce, Third-party administrator	Legislation required, also possibly NCUC authorization
Create long-term jobs with	Prioritize investment and job growth in the	Legislature,	Dept of Commerce

[5] The utility involved in preparing this memo disagreed on eliminating fixed charges as a recommendation, noting concerns about paying for the fixed costs of the system for all customers.

family-sustaining wages and benefits for low income communities	renewable energy industry, such as wind energy, grid infrastructure, and battery storage. Drive up labor standards in the solar industry by prioritizing contractors that provide family-sustaining wages and benefits for utility scale solar contracts, particularly those with any public funding. Expand existing Registered Apprenticeship Programs (RAPs) to create career pathways across the energy sector. Targeted investment in renewables, energy efficiency, home repair, and weatherization training programs through partnerships with schools. Partner with community colleges and K-12 education to create programs about energy efficiency. Successful Strategies from Low Income Solar Policy Guide	DEQ DEQ Commerce, Governor, DEQ DEQ, Commerce, Education	can work on pilot projects with DEQ and IOUs
Support communities and displaced fossil fuel workers where closing plants are located	Develop best practices that guarantee protections for displaced fossil fuel workers, such as early retirement, priority transfer and/or training for comparable positions. Technical assistance for local community from state and utility in planning for community transition where plants are retired	NCUC, Commerce, DEQ DEQ, Commerce, NCUC	

Equitable includes being -

- **Affordable:** All North Carolinians, including those who are low income, can meet their energy needs without being cost-burdened. Energy is not more than 6% of household expenses.
- **Accessible:** There is greater access to the clean energy economy. Emphasis on removing barriers and targeting investments in frontline communities (communities with a disproportionate pollution burden from traditional energy generation), communities dealing with climate impacts, and disadvantaged communities.
- **Reliable and Resilient:** The electric system is resistant to failure for essential services and quick to recover from breakdowns.
- **Clean[6]:** Emissions-free energy generation that contributes the least to pollution or climate change.

A note on inclusion: Many of the policy actions proposed assume (and should require) involvement of affected stakeholders in their planning, development and implementation. Specifically, this process should include communities of color and poor communities, regional, county and municipal governments, non-profit agencies, and affected businesses**.**

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[6] Stakeholders preparing this memo disagreed on whether to include existing nuclear generation as a part of the “clean” definition.