

Equitable Access & Just Transition to Clean Energy

How can we achieve climate justice while ensuring equitable access to energy for all North Carolinians?

Globally, climate change and the rising cost of energy pose a huge threat for 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-burdened¹, meaning that they live with unaffordable energy bills. These same communities are also burdened with the environmental and health burdens associated with the fossil fuel industry, including climate change, which have compounding effects on their quality of life. Though North Carolina’s clean energy industry has had an economic impact of \$28.2 billion and supported 169,127 jobs annually from 2007-2018², people living in poverty have not seen the benefits of this growth. Unfortunately, there is a huge disparity between the people who experience an energy burden and those who benefit from the growing clean energy and energy efficiency industries and related investments. Public policy can help address this disparity - by focusing on energy equity and a transition to a clean energy economy that puts vulnerable communities first.

Policy Recommendations to Address Energy Equity in NC

Need	Policy Recommendation	Decision Maker(s)	Action(s) Needed
Address 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	Legislature DEQ	Legislative action needed to give DEQ this authority DEQ may need to make investments in monitoring (\$\$ from state budget)
Address 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 majority of funds going back to frontline and vulnerable communities	Legislature	Legislative action needed
	Targeted investment in resilient infrastructure and technical assistance for flood mitigation and climate adaptation and resilience planning in climate-vulnerable and low income communities.	DEQ Housing Finance Agency USDA NCORR	
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	NCUC	Regulatory change

¹ 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](#)

	cost-effectiveness testing	Legislature	from NCUC; Might require expanding statutory language
	Eliminate or dramatically reduce fixed charges	NCUC	Regulatory change from NCUC
Expand energy efficiency as a tool for resilience and increase housing quality & 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
	Expand tariffed on-bill financing programs for rural cooperatives 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 communities	Create a Green Bank & Loan Loss Reserve Fund to make energy efficiency, renewable energy & building repair dollars available to residents, businesses, municipal utilities and institutions such as schools, faith institutions, and local governments. Connecticut & New York examples	DEQ Dept of Commerce Third-party administrator or	Legislation required, also possibly NCUC authorization
Create long-term jobs with family sustaining pay and benefits for displaced fossil fuel workers and low income communities	Targeted investment in renewables, energy efficiency, home repair, and weatherization training programs through partnerships with schools. Successful Strategies from Low Income Solar Policy Guide	DEQ Commerce NCCAA	

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 the household expenses.
- **Accessible:** 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.
- **Clean³:** Emissions-free energy generation that doesn't contribute 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, including communities of color and poor communities, regional, county and municipal governments, non-profit agencies, and affected businesses.

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³ Stakeholders preparing this memo disagreed on whether to include existing nuclear generation as a part of the “clean” definition.