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# Policy Considerations to Improve the Effectiveness of Targeted Clean Energy Investments

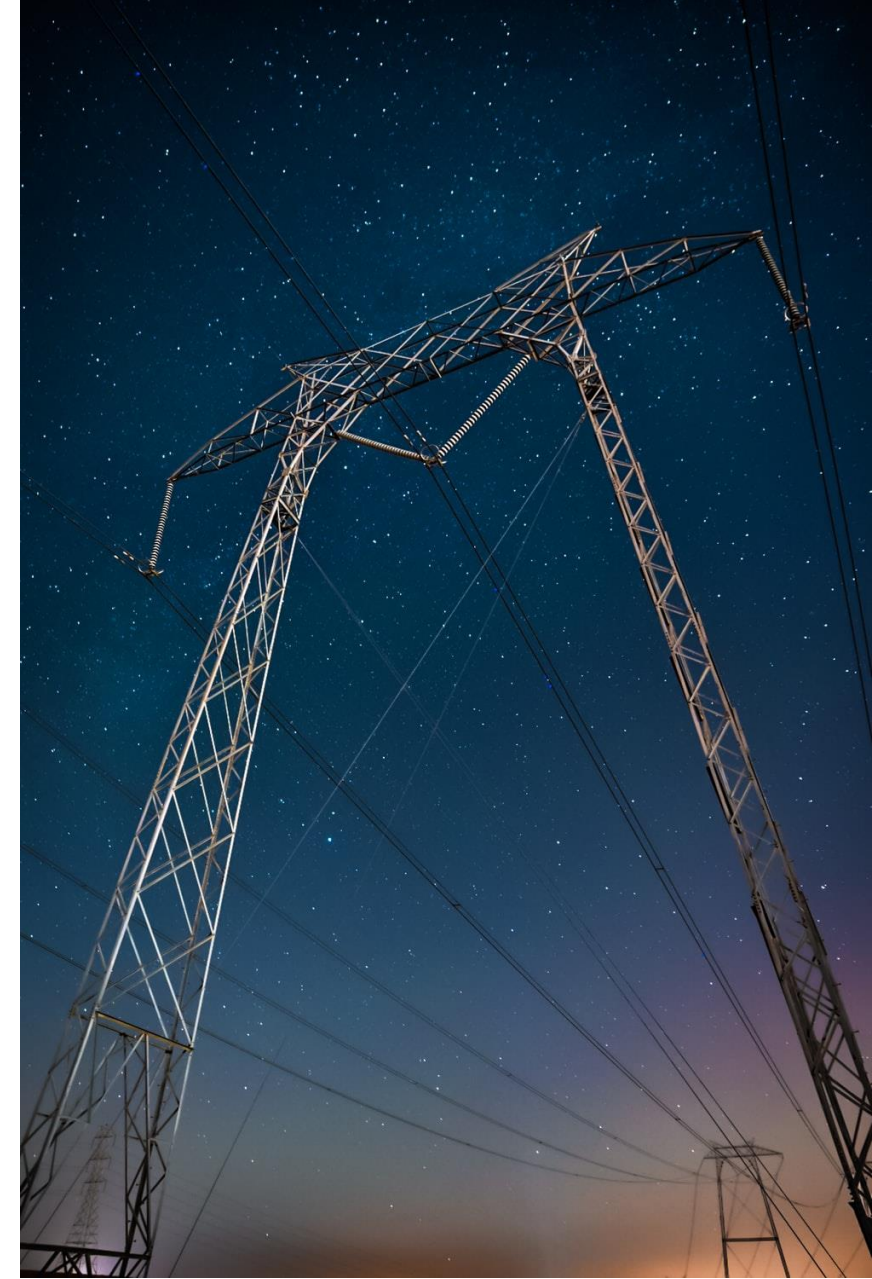
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# KEY MESSAGES

- Federal investment mechanisms and programs **currently exist** which can contribute to an equitable clean energy transition.
- Bringing **greater** equity to the energy system and reducing GhG emissions is not just about spending, but spending justly and effectively.
- Targeted investment would **benefit** from complementary federal policies designed to help ensure the intended outcome.



# CURRENT TARGETED SPENDING AND ENERGY EQUITY ISSUES

Form of Targeted Spending	Sample Program	Primary Energy Equity Issues Addressed (energy burden, clean energy access, and clean energy employment or workforce training)
Direct payments to individuals	Weatherization Assistance Program	Energy burden, clean energy access
	The Nonbusiness Energy Property Tax Credit (25C)	Energy burden, clean energy access
Formula grants	State Energy Program	Clean energy access
	Workforce Innovation and Opportunity Act Grants	Clean energy employment or workforce training
Project-based grants, loans, and guarantees	Single Family Housing Repair Loans and Grants program	Energy burden
	Electric Infrastructure Loan and Loan Guarantee Program	Clean energy access
Technical assistance and training	Office of Indian Energy's technical assistance program	Clean energy access
	The Equity in Energy Initiative	Clean energy access, clean energy employment or workforce training





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## *Recommendation #1:*

Review existing forms of directed federal spending and programs for their suitability to address energy inequity through targeted investment, improve them, and extend resulting enhanced targeting methods to other federal investment.

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# SUPPORTING AND LEADING DATA COLLECTION & PROJECT MONITORING

- Data collection and reporting can also be an important part of accountability and measuring the reach, efficacy, and equity impact of clean energy spending.
- Three areas for improvement:
  - Completeness
  - Engagement & Access
  - Granularity







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*Recommendation #2:*

Cultivate metrics, reporting requirements, qualitative and quantitative data sources, and analysis grounded in the experience and input of target households and communities.

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# LOCAL AND STATE PARTNERS + TECHNICAL ASSISTANCE



- Advances appropriate place-based solutions.
- Increases access to and more effective utilization of funds for frontline communities.
- Creates better outcomes for equity-focused programming.



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### *Recommendation #3:*

Build the capacity of states, local governments, community groups, and other representatives of communities that have been historically disadvantaged to lead on co-creating opportunities, applying for federal funds, and engaging with or implementing programming.



# ENGAGEMENT & PARTNERSHIP APPROACHES

Inclusive stakeholder engagement is a prerequisite for clean energy investment that reaches communities whose energy needs are underrepresented in or excluded from traditional policy development.





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### *Recommendation #4:*

Incorporate advance planning, community-led project design, and funding for robust, inclusive, respectful, culturally sensitive, and intentional community partnership.

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# CLEAN ENERGY EMPLOYMENT AND LEADERSHIP

While racial and gender diversity differs by sector, there is an apparent lack of gender diversity across all clean energy sectors and a lack of racial diversity in some sectors.

A solar industry survey found that only 26 percent of the workforce identified as women in comparison to 47 percent in the broader national workforce. The solar industry also has higher than average wage gap and nationally consistent, but dismal, representation of women and people of color in leadership positions.







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### *Recommendation #5:*

Require jobs created through federal spending to meet wage standards, protect the right to organize, enforce anti-harassment and antidiscrimination protections, encourage local hiring and engaging minority-owned and women-owned businesses, and train and equip currently underrepresented members of the clean energy workforce to capitalize on new opportunities in the sector.

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# INCLUSIVE FINANCING

Prioritize and integrate the needs of frontline communities across clean energy financial incentives like:

- On-bill investment
- Community solar and virtual net metering





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## *Recommendation #6:*

Support inclusive financing approaches to deploy clean energy and energy efficiency in low-income communities; Black, Latino, and Indigenous communities; as well as other communities of color.

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# THE ENERGY SYSTEM IS INEQUITABLE...



- Costs and benefits are not distributed equitably in the U.S. energy system.
- Without thoughtful intervention, the benefits of federal clean energy investment will not be spread equitably.
- Energy system inequities are tied to a sociopolitical context that prioritizes some (based on factors like income, race and ethnicity, geography, and gender), while marginalizing others.

# BUT IT DOES NOT NEED TO BE.



- Federal policy and targeted spending is positioned to have an impact on energy burden, clean energy access, and clean energy employment.
- Delivering the benefits of a clean energy transition to those who are usually marginalized, and disadvantaged, is a stated priority of the federal government.



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# THANK YOU

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