



Equity in CETA & Energy Markets

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Legislative Intent

The legislature recognizes and finds that the public interest includes, but is not limited to: The **equitable distribution of energy benefits and reduction of burdens to vulnerable populations and highly impacted communities;** long-term and short-term public health, economic, and environmental benefits and the reduction of costs and risks; and energy security and resiliency. It is the intent of the legislature that in achieving this policy for Washington, **there should not be an increase in environmental health impacts to highly impacted communities.**

The Mandate

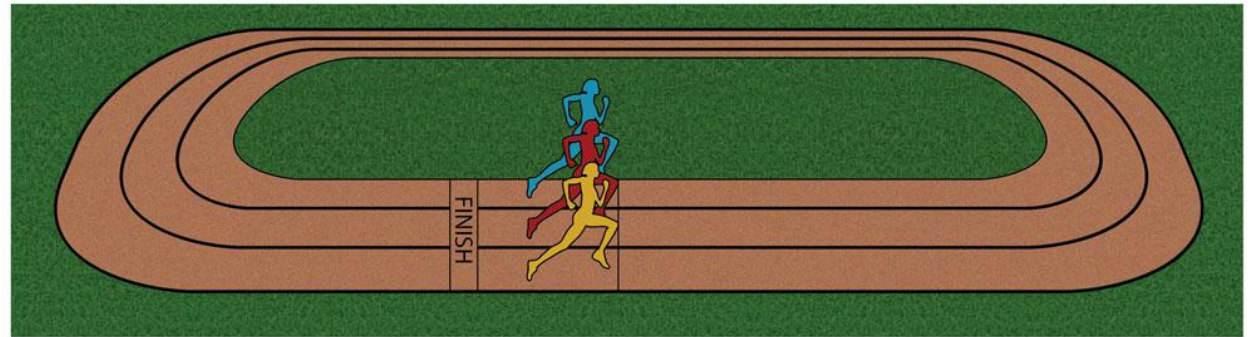
1) It is the policy of the state that all retail sales of electricity to Washington retail electric customers be greenhouse gas neutral by January 1, 2030. [...]

(8) In complying with this section, an electric utility must, consistent with the requirements of RCW **19.280.030** and **19.405.140**, ensure that all customers are benefiting from the transition to clean energy: Through the equitable distribution of energy and non-energy benefits and reduction of burdens to vulnerable populations and highly impacted communities; long-term and short-term public health and environmental benefits and reduction of costs and risks; and energy security and resiliency.

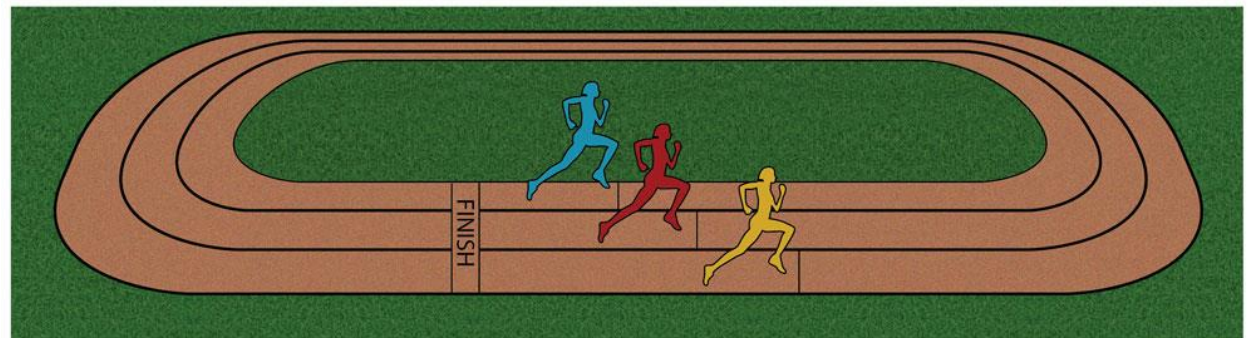
What is Equitable Distribution?

WAC 480-100-6XX Definitions

“Equitable distribution” means a fair ***and just***, but not necessarily equal, allocation based on ***historic and*** current conditions, which are informed by the assessment described in RCW 19.280.030(1)(k) from the most recent integrated resource plan, ***for the purpose of eliminating disparities in benefits and burdens by prioritizing vulnerable populations and highly impacted communities who experience the greatest inequities, disproportionate impacts, and have the most unmet needs.***



EQUALITY



EQUITY

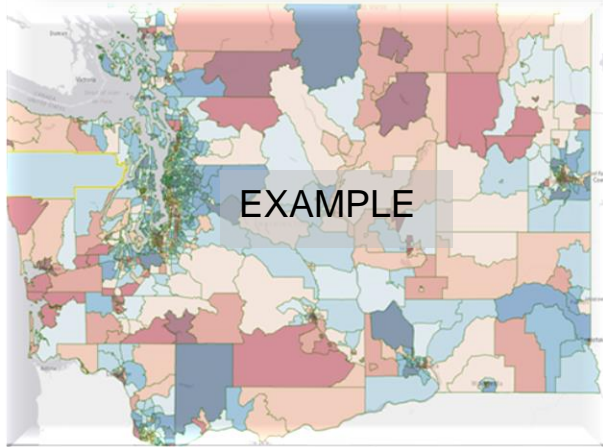
Who is Most Impacted?



Who is Most Impacted?

HIGHLY IMPACTED COMMUNITIES

CIA - DOH



VULNERABLE POPULATIONS

Tribes

Process TBD

Census tracts that are fully or partially on "Indian country," as defined in 18 U.S.C. Sec. 1151.

"Vulnerable populations" means communities that experience a disproportionate cumulative risk from environmental burdens due to:

- (a) Adverse socioeconomic factors, including unemployment, high housing and transportation costs relative to income, access to food and health care, and linguistic isolation; and
- (b) Sensitivity factors, such as low birth weight and higher rates of hospitalization.

SOURCE: UTC Staff

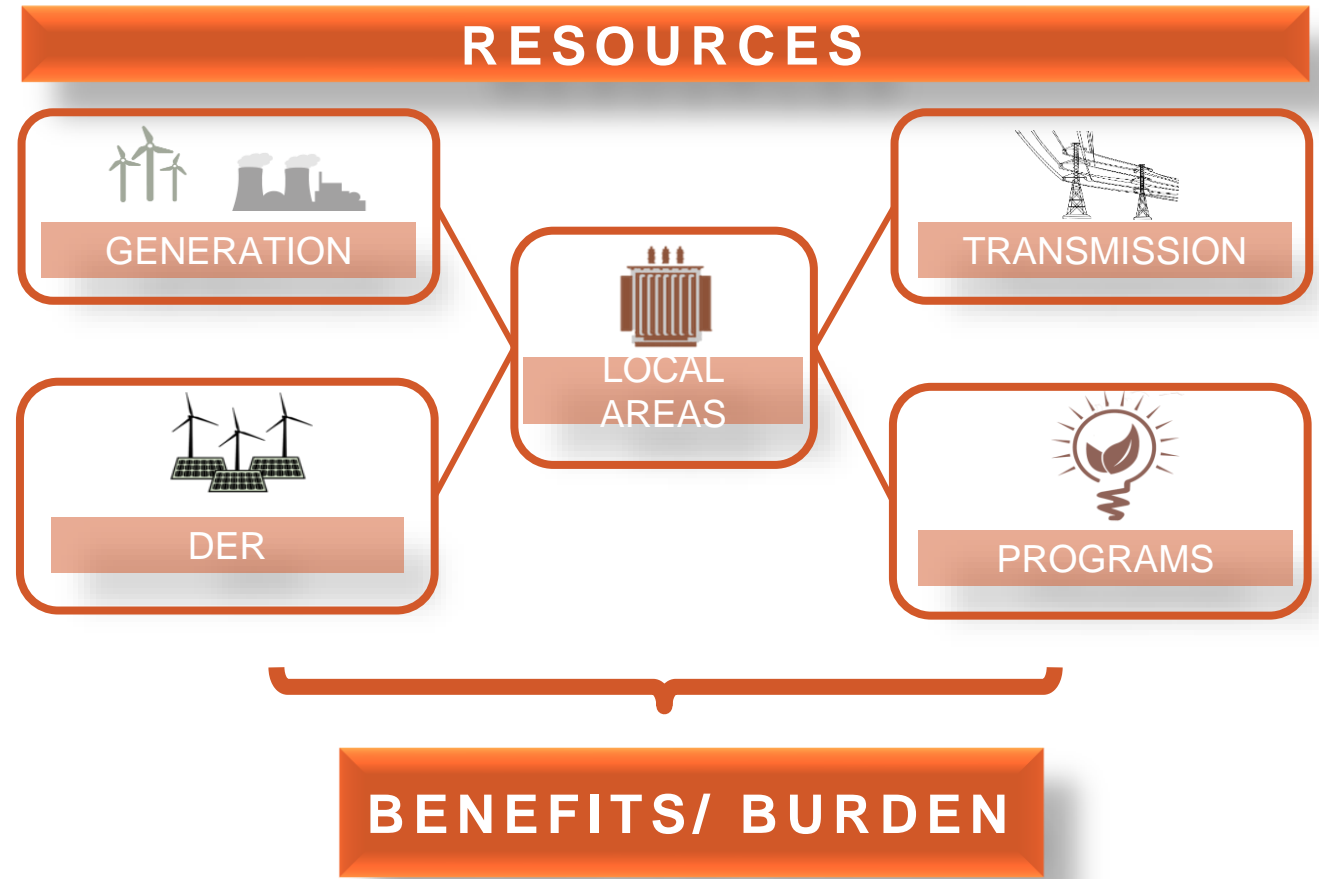
Key Questions

- What are the ways to achieve CETA clean energy standards?
- What are the impacts of each strategy?
- On which populations and communities?

How do markets perform against other compliance pathways on equitable distribution?

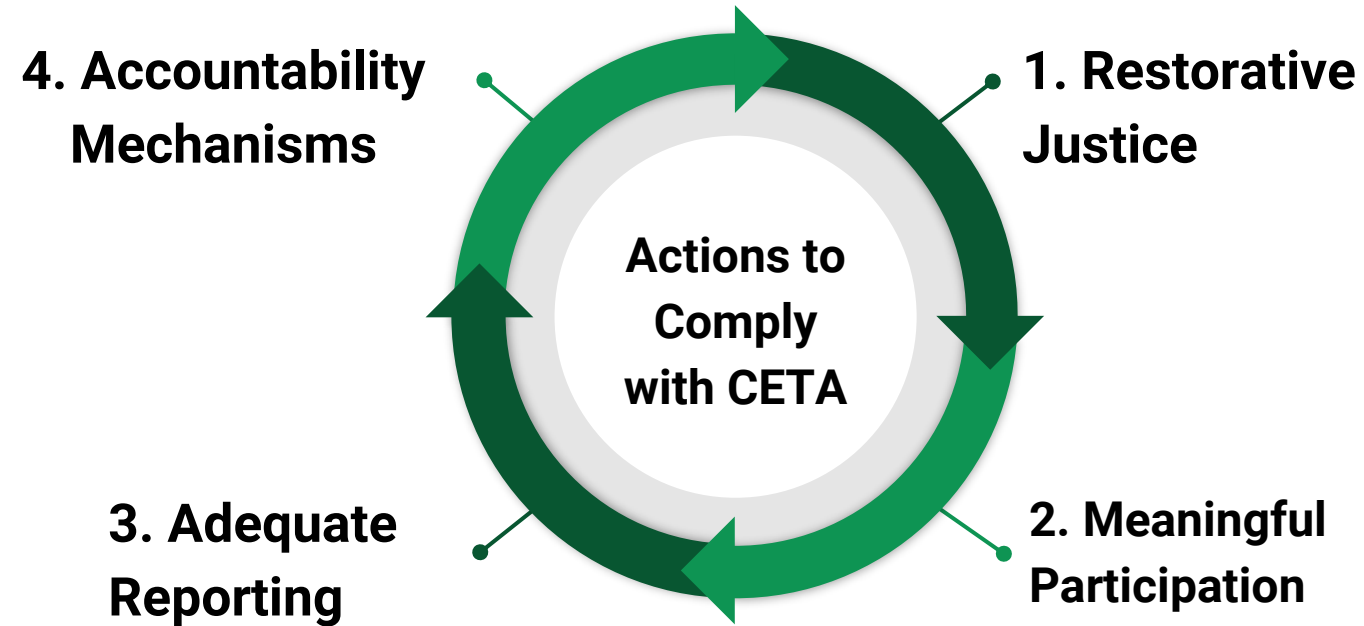
Harms and Benefits from Markets

- Markets prioritize cost, not equity
- What do we know about market sources?
 - On Vulnerable Populations & Highly Impacted Communities
 - On Health, Economic, Environmental, Resiliency, Energy Security



SOURCE: UTC Staff

Framework for Equitable Distribution



Framework for Equitable Distribution

Restorative Justice: A holistic understanding of equity that recognizes past and current energy injustices should guide actions to advance energy justice and confer benefits to communities most burdened by these injustices.

Meaningful Participation: Robust, equitable, inclusive, and accessible public participation in the development of with special attention given to the barriers that prevent certain communities and populations from being able to engage in this process.

Adequate Reporting: We can only know the impacts of markets and market purchases if there is sufficient and appropriately detailed reporting.

Accountability Mechanisms: Equitable distribution is a legislature mandate and requires accountability to ensure compliance, including goals, indicators, and penalties for failure to comply

Cap & Trade Concerns

Environmental Justice advocates in California and Washington have opposed California's cap & trade programs because of:

- Has not driven emissions reductions
- Offsets
- Trading between sectors allows pollution to grow in most impacted communities