Metrics for Equitable Benefits:
Recommendations for Washington State

November 12, 2020 | By Front and Centered & Initiative for Energy Justice

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Executive Summary

- With community leadership, Washington passed the Clean Energy Transformation Act (CETA), a law requiring the state-wide transition to 100% clean electricity and mandating the equitable distribution of benefits from this transition.
- For state utility regulators and electric utilities, CETA presents both a challenging task as well as an opportunity for meaningful rulemaking and utility program development. Regulators, utilities, advisory groups, and customer advocates need guidance on achieving the directive for social equity during implementation of the law.
- This policy brief outlines a logic model for operationalizing equity, highlights examples from an attached report on equity metric resources, and provides recommendations for implementing CETA's equity provisions.

Introduction

Around the country, states are leading the charge in responding to climate change as the federal government has lagged behind. As 2020 comes to a close, the urgency and importance of this state-level action could not be more apparent, with multiple crises intersecting, including natural disasters driven or worsened by climate change layered atop a global health emergency, growing racial inequity, and devastating economic hardships. Social, environmental, and energy burdens are felt worst by the most marginalized and vulnerable populations.

Even before 2020 began, US states recognized that renewable energy policy had the opportunity to create jobs, improve health, and provide other benefits for highly impacted communities and all populations, in addition to curtailing greenhouse gas emissions. Laws that require an equitable transition to 100% renewable energy have arisen as a key policy mechanism to advance robust social benefits and an ambitious transition to renewable energy. There are various versions and approaches to such policies, including more moderate mandates for 100% "clean" energy rather than "renewable" energy. Washington State is one of ten US states and territories listed by Sierra Club as passing a 100% law, and an important one given the state's law, the **Clean Energy Transformation Act (CETA)**, includes mandates for the equitable distribution of benefits, among other provisions that seek to ensure a fair and just approach to the energy transition.

Questions often come up about operationalizing equity in 100% policies, particularly as they are implemented by rules and regulations. This brief and the attached report seek to shed light on these inquiries. We explore questions such as:

- ***What* is equity?**
- ***Why* measure equity?**
- ***How* can we measure equity?**
- ***How* can we measure *progress* toward equity?**

A logic model and resources for operationalizing equity

Attached to this brief is a draft report addressing the measurement of equity in the implementation of 100% renewable energy policies, forthcoming from the Initiative for Energy Justice ("Tools for Measuring Equity in 100% Renewable Energy Deployment: Literature Review"). The report consists of a compilation of potential "utility actions" and "equity indicators" that can further the pursuit of equity in the implementation of 100% renewable energy policy. Here's what we mean by these terms:

- **Utility actions** are interventions to advance equity in our energy system in the implementation of 100% renewable energy policy. These are concrete steps that electric utilities can take to meet equity standards. The actions can be tracked to hold utilities accountable.

- **Equity indicators** are quantitative measures of equity more broadly in a given community, municipality, state, or country. They are metrics which can be used to establish the state of equity at a given point in time, and are therefore effective tools for collecting baseline measurements and setting long and short-term goals regarding equity. The equity indicators are important tools for assessing whether and to what degree utility actions are effective.

These two components work together to ensure implementation and accountability (by the public and state regulatory bodies) of utility action and progress in regards to equity standards.

Utility actions → Equity indicators

Utility actions and equity indicators can be thought of as the two ends of a logic model to ensure success in achieving a state's strategy for equitable climate action in the electric sector. On one end, equity indicators are measurements of the ultimate outcomes a state is trying to achieve, such as the share of household income spent on fuel and electricity (energy burden). On the other end, utility actions are the steps or interventions an electric utility is able to take itself, within its authority and jurisdiction, to make progress toward the equity goal that the equity indicator is measuring. For example, a utility action to address energy burden might include expanding net metering (NEM) programs to reduce customer bills.

Example:

Utility action:		Equity indicator:
Expanding NEM	**→**	**Decreased energy burden**

In between these two ends are measurements of the outputs of utility actions and their overall progress. We'll call this step "utility equity targets".

Utility actions → **Utility equity targets** → Equity indicators

Example:

Utility action:		Utility equity targets:		Equity indicator:
Expanding NEM	→	**X bill reductions for X customers**	→	Decreased energy burden

While we offer general guidance for developing utility equity targets, we don't focus on them in this brief or the attached report given that they would be specific to each utility. Utility equity targets would need to be set either after selecting an equity indicator (e.g., energy burden) and determining the utility-specific objective that furthers this metric (e.g., bill reductions), or starting from the other direction, looking at the intended output of utility actions in a specific area (e.g., expanding NEM) undertaken to achieve a certain equity goal (e.g., alleviating energy burden).

Therefore, the two categories, utility actions and equity indicators, are presented as parallel approaches for assessing progress towards equity goals: requiring certain utility actions will ensure that utilities are held accountable for meeting equity standards, and equity indicators will determine what kind of impact these actions have on existing equity measures, such as income inequality, access to energy, and health burdens. Through the implementation of this framework, it may become clear that certain actions affect individual metrics, while others may influence a broader range of metrics, or have a tangible impact on equity that is not captured by the metrics provided. The combination of actions and indicator metrics is offered as a tool and a starting place for developing mechanisms of utility accountability by providing concrete ways that utility actions influence equity outcomes.

Background

Below we highlight specific guidance from the report that is applicable for the state of Washington, with reference to Front and Centered's initial comments to the Washington Utilities and Transportation Commission (UTC), submitted June 2, 2020, relating to draft rules regarding Clean Energy Implementation Plans and Compliance with the Clean Energy Transformation Act.

> **Note**: while the Commission has presented further revisions to its draft rules, and most recently issued proposed rules, this brief does not include specific reference to more recent draft rules or Front and Centered's comments on those drafts. Nor does this brief refer to draft rules issued by the Department of Commerce. Our focus here is general guidance for both regulators and utilities as rules are finalized and implemented.

Front and Centered is a statewide coalition of organizations across Washington that are rooted in communities of color and with lower incomes. The coalition is committed to equity and ensuring climate and environmental justice and centering the voice of frontline communities in the transition to a healthy, resilient, and sustainable future. The **Initiative for Energy Justice** is a research organization working with advocates for frontline communities to advance climate justice by providing equity-centered tools, models, and methodologies for the design and structure of energy policy and projects. The **Clean Energy Implementation Plan (CEIP)** sets the course of action to ensure compliance, progress, and enforcement of CETA's equity mandate, with the active and intentional involvement of communities adversely impacted by pollution. The draft rules envision equity to include, among other mandates, utilities creating and engaging equity advisory groups to provide input and guidance, robust public participation and utilities submitting public participation plans for review, progress reports on benefits for "named communities," and assessing fines for non-compliance on equity.

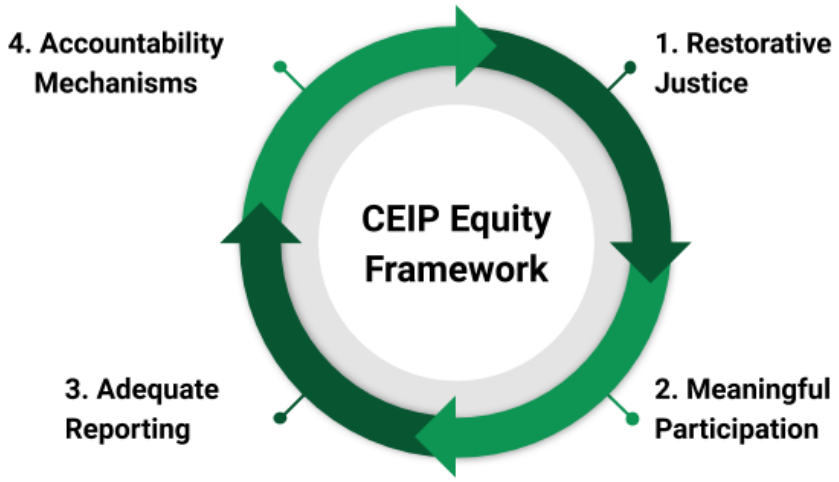
The following policy brief will begin by establishing equity as a central component of environmental policy and locating equity in the Clean Energy Transformation Act and its enforcement. Next, we define equity as it applies to CETA and the draft rules proposed by the UTC. After establishing the need for

accountability mechanisms, we provide recommendations for actions and metrics that may be used in their development.

The Case for Equity

Equity is a central component of responsible environmental policy, a truth already recognized by the state through its inclusion in the mandates of the Clean Energy Transformation Act.[1] While equity is widely recognized as a pillar of sustainability, it is often overshadowed by economic and environmental concerns. All too often, "communities may have programs that protect the natural environment, reduce energy use, and address other aspects of sustainability, but without programs to promote social equity, they are not strengthening their social foundation for long-term viability."[2] The Clean Energy Transformation Act has the potential to be an exception to this trend. The policy incorporates language explicitly pertaining to equity, requiring "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."[3] The UTC is therefore uniquely positioned to enforce compliance with equity standards as outlined in the law and can best do this by mandating utility actions that promote equity and implementing measurable standards as supported in the attached materials.

In comments submitted, Front and Centered presented a four-part equity framework in which each component feeds into and depends on the others to ensure the equitable distribution of benefits throughout the CEIP process.



The resources and metrics provided in this brief and accompanying literature review are relevant to each component of this framework. The measurement of equity is a project rooted in the theory and practice of **restorative justice**, as an equitable distribution is informed by current and historic conditions and intends to remediate existing injustice, as discussed further below. In addition, **meaningful participation** is relevant in the development and implementation of these metrics and also as a facet of

[1] CETA
[2] Advancing Social Equity as an Integral Dimension of Sustainability in Local Communities
[3] CETA

procedural justice which these metrics can help measure. **Adequate reporting** is necessary for the enforcement of targets that can be developed using these resources and for identifying which metrics will be most relevant and effective. Adequate reporting will aid in the establishment of clear baseline measurements, allowing reasonable and actionable goals to be set based on current circumstances. Finally, the resources presented in this brief and attached literature review fall most clearly under the fourth component, **accountability mechanisms**.

These resources provide guidance for the creation of a system of accountability which will hold utilities to the equity standards mandated by CETA. By developing utility actions and *milestone equity targets* as recommended in our submitted comments, and as discussed further below, the UTC can enhance its ability to hold utilities accountable.

Defining Equity

In order to enforce policy that requires the equitable distribution of costs and benefits, it is necessary to define what equity entails. The Clean Energy Implementation Plans and Compliance with the Clean Energy Transformation Act, First Discussion Draft rules presented by the UTC defines "equitable distribution" as "a fair, but not necessarily equal, allocation based on current conditions, which are informed by the assessment described in RCW 19.280.030(1)(k) from the most recent integrated resource plan."[4] In comments submitted on June 2, 2020, Front and Centered recommended amending this definition to be "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***."[5] Rationale for these recommendations is included in the comments. To summarize: the addition of the word ***just*** ensures clarity and provides practical guidance, as it draws on the existing literature pertaining to justice, particularly the field of "energy justice" or "energy equity."

The inclusion of ***historic*** conditions is central to the definition of equity. Both CETA and the relevant literature recognize "equitable distribution" or "fair allocation" as depending not only on current conditions, but past conditions as well.[6] In each instance, the inclusion of the term "equitable distribution" in CETA is in reference to "vulnerable populations and highly impacted communities."[7] It is necessary to consider historic conditions as they are relevant to the factors that define these populations and communities. As stated in the comments "The socioeconomic factors and sensitivity factors that lead certain populations to face a 'disproportionate cumulative risk from environmental burdens' are both past and present."[8]

Relevant energy justice literature, which centers restorative justice, also demonstrates the necessity of including historic conditions in the definition of equity. Specifically, the definition of "equitable

[4] Washington Utilities and Transportation Commission First Discussion Draft Relating to Clean Energy Implementation Plans and Compliance with the Clean Energy Transformation Act, Docket UE-191023 (May 5, 2020)
[5] Front and Centered Comments on First Discussion Draft Rules (June 2, 2020)
[6] Front and Centered Comments on First Discussion Draft Rules (June 2, 2020)
[7] CETA
[8] Front and Centered Comments on First Discussion Draft Rules (June 2, 2020)

distribution" must factor in the allocation of historic burdens in order to rectify disparities. Resources included in the attached materials provide examples of this approach in practice, including the following definition of social equity: "Social equity means redressing injustices and remediating damages that were previously incurred, fully incorporating all segments of the community in the political decision-making process, and establishing measures to prevent future inequities from occurring."[9] In the context of CETA and the utility CEIPs, "redressing" and "remediating" current and historic injustice are therefore central to the definition of equitable distribution. Equity in the implementation of CETA requires the harms experienced by highly impacted communities and vulnerable populations, such as increased proximity to hazardous waste facilities and fossil fuel infrastructure, adverse health impacts, and exclusion from the economic benefits of the energy system, among others, to be addressed.

Finally, the recommendations submitted by Front and Centered include the **purpose** of "equitable distribution" in its definition to emphasize that vulnerable populations and highly impacted communities are designated by the disparities in the benefits and burdens they experience. The guiding principle of equitable distribution is the elimination of these disparities.[10]

Why Measure Equity?

Measurement mechanisms must be in place in order to ensure that equity standards are being met. In order for each Clean Energy Implementation Plan to be in the public interest as mandated by CETA it must ensure 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."[11] The UTC recognizes the necessity of measurement and goal setting in the realization of clean energy standards, as the first discussion draft rules required that "interim targets" addressing clean energy goals be set within each Clean Energy Implementation Plan.[12] In order to guarantee that CETA is being effectively enforced in regards to its equity requirement, it is necessary to have a comparable framework establishing the measurement of interim equity targets to which utilities can be held accountable. In the aforementioned comments, Front and Centered has recommended that the UTC require each utility to "*propose milestone equity targets related to the requirements in WAC 480-100-650(1)(d) through (f) by January 1, 2030 and by January 1, 2045*."[13] Requiring these equity targets will increase accountability and ensure that the equity requirements mandated by CETA are met.

Equity targets may be unfamiliar to some utilities. In order to ensure that utilities are aware of their ability to influence equity outcomes, the UTC should also require certain utility actions which are likely to affect equity indicators. These are elaborated on below.

As established, an "equitable distribution" relies on current and historic conditions and the remediation of injustice. In order for this to be possible, it must be clear how our energy system has harmed, or currently harms, highly impacted communities and vulnerable populations, and what the consequences of that harm has been. This includes but is not limited to the negative health burdens that communities

[9] Advancing Social Equity as an Integral Dimension of Sustainability in Local Communities
[10] Front and Centered Comments on First Discussion Draft Rules (June 2, 2020)
[11] CETA
[12] UTC First Discussion Draft, Docket UE-191023 (May 5, 2020)
[13] Front and Centered Comments on First Discussion Draft Rules (June 2, 2020)

of color have disproportionately faced as a result of fossil fuel infrastructure,[14] the inadequate representation of African Americans in the clean energy sector,[15] the increased frequency of energy insecurity among Black, Indigenous, and people of color (BIPOC) customers,[16] and the contamination of Indigenous land and violation of Indigenous rights.[17] An equitable distribution can then be determined by taking these impacts into account and tailoring programming, budgeting, and infrastructure investment to address the disparities born of this injustice and ensure no further harm is done. This requires baseline measurements, effective targets, and tailored actions in order to remediate harm and ensure equitable distribution of benefits through enforceable standards.

As we have seen, it is not uncommon for equity goals to be misconstrued as peripheral to energy policy. The measurement of equity targets will demonstrate a commitment to the energy standards mandated by CETA, ensuring that progress is made and that equity remains a central consideration in the creation of CEIPs.

How Can We Measure Progress Towards Equity Goals?

Equity metrics can be used to measure progress towards the standards mandated by CETA. Equity oriented utility actions will be the driving force of this progress. The attached report provides a variety of actions that utilities can take as well as the equity indicators (i.e., outcome metrics) that those actions may influence. In making this connection, it is clear that utilities can and must be held accountable for reaching milestone utility equity targets similar to the "interim targets" pertaining to clean energy goals.

For the ease of the Commission, the following section outlines equity indicators and utility actions within the report that pertain specifically to elements of the equitable distribution requirements contained in CETA. In pursuit of the equitable distribution standard, CETA language designates the following duties as mandatory and affirmative:[18]

Ensure equitable distribution of:

- Energy benefits
- Non-energy benefits

Ensure the reduction of burdens to:

- Vulnerable populations
- Highly impacted communities

[14] The Localized Health Impacts of Fossil Fuels
[15] Just Energy Policies: Reducing Pollution and Creating Jobs
[16] RECS: One in three US households faced challenges in paying energy bills in 2015
[17] Building a Resilient Indigenous Future with Sustainable Energy
[18] Benefits for All - Equity

Impacts include, but are not limited to:

➔ **Public health Impacts**
- Short-term: benefits, reduction of costs, reduction of risks
- Long-term: benefits, reduction of costs, reduction of risks

➔ **Environmental Impacts**
- Short-term; benefits, reduction of costs, reduction of risks
- Long-term: benefits, reduction of costs, reduction of risks

➔ **Economic Impacts:**
- Short term: benefits, reduction of costs, reduction of risks
- Long-term: benefits, reduction of costs, reduction of risks

➔ **Energy Security Impacts**

➔ **Resiliency Impacts**

Based on these duties and the content of the attached report, we have organized our recommendations of equity indicators and utility actions according to the following structure:

1) The equitable distribution of energy benefits and reduction of burdens to vulnerable populations and highly impacted communities
    a) Energy security and resiliency impacts
2) Long-term and short-term:
    a) Public health impacts
    b) Economic impacts
    c) Environmental impacts

All recommended metrics should be disaggregated according to the methods established to identify vulnerable populations and highly impacted communities. This will allow the Commission to track disparities as well as any progress towards resolution and restoration.

Part 1: The equitable distribution of energy benefits and reduction of burdens to vulnerable populations and highly impacted communities

In developing targets pertaining to the "equitable distribution of energy benefits and reduction of burdens to vulnerable populations and highly impacted communities," the actions and indicators in the **"Energy Access and Affordability"** category will be especially relevant.[19] These include measures of energy burden (the expense of energy expenditures relative to overall household income), energy insecurity (the hardships households face when meeting basic household needs), and energy poverty (lack of access to energy itself).[20]

[19] This category of tools will also be relevant to implementation of "energy assistance" provisions of CETA.
[20] The Energy Justice Workbook

Key equity indicators included in this category are:

- Energy burden[21]
- Share of household income spent on fuel and electricity[22]
- Household energy use and corresponding fuel mix[23]
- Customer cost savings in dollars saved[24]
- Percent or number of homes or buildings that have not yet been weatherized or had energy efficient lighting or appliances installed[22]

By monitoring these metrics and setting milestone utility targets based on their values across demographics and geographies, utilities can ensure that highly impacted communities and vulnerable populations are benefitting from the changes to Washington's energy system, and that disparities are being remedied. Once targets are established, utilities can take the following actions to meet them.

- Fund energy assistance programs[25]
- Shift the entire energy assistance system towards clean energy assistance programs that provide long-term renewable energy and efficiency benefits, and away from annual fuel subsidies[26]
- Establish a Percentage of Income Payment Plan available for low-income consumers[27]
- Fund energy efficiency, development of new renewable energy, and low-income weatherization services[28]

For more metrics and utility actions that promote the equitable distribution of energy benefits and reduction of burdens to vulnerable populations and highly impacted communities, see the report.

Part 1.a: Energy security and resiliency impacts

Closely related to the energy benefits and reduction burdens in the implementation of CETA are energy security and energy resiliency impacts. Energy security and resiliency not only means access to reliable, affordable energy, but to the mechanisms that will ensure this access does not falter. This includes the utility's capacity to meet customer needs, the reliability of electric service and speed of restoration in the event of an outage, and projects and programs that make energy more accessible and affordable.

Targets that pertain to the equitable distribution of energy benefits and the reduction of burdens will likely pertain to security and resiliency as well. Energy security refers to the ability to meet basic household energy needs due to the affordability of energy. Energy resiliency can be demonstrated by

[21] The Energy Justice Workbook
[22] Energy Indicators For Sustainable Development: Guidelines And Methodologies
[23] Energy Indicators For Sustainable Development: Guidelines And Methodologies
[24] Local Development Business Plan 2018
[25] Creating an equitable energy future
[26] Building Blocks
[27] The Electricity Sector
[28] Creating an equitable energy future

impacts of and responses to disruptive or catastrophic events and the ability to consistently provide power, or energy reliability.[29]

This is an issue that has come to the forefront amid the COVID-19 pandemic, as utility customers increasingly rely on residential electricity while staying safe at home. In response, utilities have been taking steps to reduce peak loads by contacting customers and improving energy efficiency technologies.[30] In addition, 34 states ordered suspensions on utility shutoffs amid the pandemic and many are implementing bill assistance, payment plans, and customer outreach programs.[31]

The following indicators should be used in the development of equity targets to ensure that energy security and energy resiliency impacts are appropriately considered, measured, and tracked:

- Total demand response capacity in megawatts[32]
- Percentage of energy shutoffs without reconnection of service for more than 30 days[33]
- Share of households (or population) without electricity or commercial energy[34]
- System Average Interruption Duration Index (SAIDI)[35]
- System Average Interruption Frequency Index (SAIFI)[36]

Once targets pertaining to energy security and energy resiliency are established, utilities can take the following actions to meet them.

- Make demand response programs available to households of all income levels and ensure that renters have the same types of opportunities as homeowners[37]
- Inform customers of all energy assistance programs and payment options on calls seeking help paying a bill[38]
- Develop public education campaigns to inform residents about how to enroll in available service programs to help meet basic needs[39]
- Target investments to help underserved communities prepare for and recover from disasters[40]
- Improve access to distributed generation and distributed storage[41]

For more indicators and utility actions that promote equity in energy security and energy resiliency impacts, see the report.

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[29] Ensuring Electricity System Reliability, Security, and Resilience
[30] As utilities tackle immediate COVID-19 impacts, analysts stress need to focus beyond the pandemic
[31] Expiring Electricity Shutoff Bans Could Leave 90% of States With No Binding Protections By September
[32] Transforming the Nation's Electricity Sector Chapter IV Ensuring Electricity System Reliability, Security, and Resilience
[33] Prioritizing Equity In Our Clean Energy Future
[34] Energy Indicators For Sustainable Development: Guidelines And Methodologies
[35] Average frequency and duration of electric distribution outages vary by states
[36] Average frequency and duration of electric distribution outages vary by states
[37] Building Blocks
[38] Creating an equitable energy future
[39] STAR Communities Rating System
[40] Creating an equitable energy future
[41] The Electricity Sector

Part 2: Long-term and short-term public health, economic, and environmental benefits and the reduction of costs and risks

Beyond energy benefits, the statute also mandates an equitable distribution of the "long-term and short-term public health, economic, and environmental benefits" as well as "reduction of costs and risks." The following subsections address each of these impacts.

Part 2.a: Public health impacts

Tools for addressing equity in public health impacts can be found in the **"Health and Environmental Impacts"** portion of the report. Equity indicators that will aid in this the development of utility equity targets pertaining to public health impacts include:

- Environmental indicators linked to health outcomes such as National-Scale Air Toxics Assessment (NATA) air toxics cancer risk, NATA respiratory hazard index, NATA diesel PM, particulate matter, ozone, traffic proximity and volume, lead paint indicator, proximity to Risk Management Plan (RMP) sites, proximity to Hazardous Waste Facilities, proximity to National Priorities List (NPL) sites, Wastewater Discharge Indicator (Stream Proximity and Toxic Concentration)[42]
- Environmental vulnerability (proximity to fossil fuel power plants, extraction sites, hazardous waste, incinerators, pollution point sources)[43]
- Incidence of conditions/diseases associated with exposure to environmental hazards such as asthma, cardiovascular disease, and Low Birth Rate (LBW) infants[44]

In the development of targets that utilize these metrics, the Environmental Health and Disparities map can be used to identify highly impacted communities. Using this data, utilities can tailor their plans to the communities most in need, and work towards resolving disparities. In addition, the cumulative analysis mandated by CETA, DOHealth, is currently in development and when complete should also be used to evaluate data on the public and environmental health of Washington residents.

Once targets pertaining to long-term and short-term public health benefits and the reduction of costs and risks are established, utilities can take the following actions to meet them:

- Compensate communities that are most impacted by pollution from fossil fuels for the healthcare necessary to treat cancer, asthma, and other diseases resulting from fossil fuels[45]
- Define and set strong public health goals. Examples may include:
    - Improved air quality through the elimination of GHGs and co-pollutants in BIPOC and frontline communities
    - Improved water quality related to the impacts of energy infrastructure
    - Eliminating legacy environmental hazards

[42] EJSCREEN: Environmental Justice Screening and Mapping Tool
[43] EJSCREEN: Environmental Justice Screening and Mapping Tool
[44] CalEnviroScreen
[45] Building Blocks

    - Improving mental health through local renewable energy[46]
- Construct new facilities and infrastructure in locations that reduce existing disparities[47]

For more indicators and utility actions that promote equity in the public health impacts of the transition to 100% renewable energy, see the report.

Part 2.b: Economic impacts

Equity in the economic impacts of the transition to 100% renewable energy can be measured using equity indicators included in the **"Economic Participation and Community Ownership"** section of the report. These metrics will help to ensure not only a "reduction of costs" but also community ownership and economic participation in order to ensure that highly impacted communities and vulnerable populations have access to the economic benefits of the transition to clean energy and increased control over their energy system. Indicators that will aid in this the development of equity targets pertaining to economic impacts include:

- Percent change in average annual receipts per firm (by race/ethnicity, by gender)[48]
- Average annual receipts per firm (by race/ethnicity, by gender)[49]
- Percent change in number of firms (by race/ethnicity, by gender)[50]
- Growth in jobs and earnings by wage level[51]
- Local energy generation in GWh generated per year[52]

Once targets pertaining to long-term and short-term economic benefits and the reduction of costs and risks are established, utilities can take the following actions to meet them:

- Establish a Women and Minority Business Enterprise (WMBE) Program to lift barriers confronting WMBE firms that aspire to do business with the utility[53]
- Report salaries and wages, promotions, and new hires disaggregated by race and gender[54]
- Develop a Green Jobs Initiative to increase utility workforce diversity to reflect the communities that the utility serves[55]
- Recruit in communities of color and partner with academic institutions such as community colleges to ensure that applicants have access to the training and certifications needed for specific internships[56]

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[46] Building Blocks
[47] STAR Communities Rating System
[48] National Equity Atlas
[49] National Equity Atlas
[50] National Equity Atlas
[51] National Equity Atlas
[52] Local Development Business Plan 2018
[53] Annual Equity Report - Seattle City and Light
[54] Creating an equitable energy future
[55] Annual Equity Report - Seattle City and Light
[56] Equity & Environment Agenda - City of Seattle

- Make solar PV-market participation available to low-income customers through arrangements like community solar[57]

For more indicators and utility actions that promote equity in the economic impacts of the transition to 100% renewable energy, see the report.

Part 2.c: Environmental impacts

In order for the environmental impacts of the transition to 100% renewable energy to be equitably distributed, targets must be set that reduce existing disparities. This necessitates the measurement of environmental impacts across communities and populations. The **"Health and Environmental Impacts"** portion of the report provides equity indicators that will aid in the development of equity targets pertaining to environmental impacts. These include:

- Population's/community's share of state population and pollution burden[58]
- Composite score: environmental vulnerability (proximity to fossil fuel power plants, extraction sites, hazardous waste, incinerators, pollution point sources)[59]
- Criteria air pollution reductions in metric tons (MT) of criteria pollutants reduced[60]

Once targets pertaining to long-term and short-term environmental benefits and the reduction of costs and risks are established, utilities can take the following actions to meet them:

- Reduce the risks and exposure to priority environmental justice conditions for priority neighborhoods[61]
- Monitor and enforce environmental standards for existing facilities that impact prioritized environmental justice sites and overburden neighborhoods[62]
- Incorporate environmental justice criteria and priorities into the development of new projects[63]
- Fund the electrification of public transportation[64]

For more indicators and utility actions that promote equity in the environmental impacts of the transition to 100% renewable energy, see the report.

[57] The Electricity Sector
[58] National Equity Atlas
[59] EJSCREEN: Environmental Justice Screening and Mapping Tool
[60] Local Development Business Plan 2018
[61] STAR Communities Rating System
[62] STAR Communities Rating System
[63] STAR Communities Rating System
[64] Creating an equitable energy future

Making Metrics Work for Equity: Baseline Measurements

For all of the indicators included in Parts 1-3, it is crucial to track discrepancies across *demographics* (particularly looking at disparities among those in vulnerable populations) and *geography* (particularly looking at the disparities of highly impacted communities) to ensure that the distribution of benefits and burdens is being allocated equitably. Targets can be developed using these equity indicators in tandem with existing data and baseline measurements, with attention to rectifying the inequities that are revealed. These data are currently available through the Environmental Health and Disparities mapping tool, and the cumulative impact analysis currently in development will also play a crucial role in establishing baseline measurements. There are a variety of statistical strategies available for the establishment of baseline measurements. In order for these measurements to function in pursuit of an equitable distribution they must incorporate historic and current conditions, and employ experts in the development process to guarantee that measurement is accurate, effective, and equity oriented. Effective baseline measurements will lay the foundation for effective interim equity targets and will play a crucial role in assessing progress towards equity goals. Additionally, in order for any of these indicators and actions to authentically further equity goals, the process of designing and implementing any CEIP must be equitable as well. Therefore, procedural justice and democracy are crucial aspects of achieving the equity goals mandated by CETA. Equity indicators that should be used in the development of targets pertaining to **"Procedural Justice and Democracy"** can be found in the section of the report of the same name. These metrics include:

- Local survey responses indicating that residents believe they are able to have a positive impact on their community[65]
- Appointments to advisory boards and commissions that reflect the gender, racial, and ethnic diversity of the community[38]

Once targets pertaining procedural justice and democracy are established, utilities can take the following actions to meet them:

- Provide quality demographic data on pilots and programs by identifying the benefits and burdens associated with our energy system[66]
- Identify, analyze, and report inequities and disparate impacts of the utility's programs and services[67]
- Compensate community advocates for their consultation[68]
- Conduct outreach and education that is linguistically- and culturally-appropriate on utility's plan to reach the 100% renewable requirement and proposed projects[69]
- Engage people of color most impacted by racial inequities to establish the utility's broader vision for racial equity and theory of change to achieve it[70]

[65] Star Communities Rating System
[66] Creating an equitable energy future
[67] Racial Equity Toolkit - City of Portland
[68] Creating an equitable energy future
[69] Building Blocks
[70] Creating an equitable energy future

- Determine what level(s) of engagement will be employed for each project, be clear upfront about the level of decision-making community will have in each process, and use appropriately matched method(s) and tool(s)[71]
- Consult with and leadership from Tribal nations[72]
- Establish processes for co-governance and collective accountability with BIPOC and frontline communities[73]

For more equity indicators and utility actions that promote procedural justice and democracy in and through the transition to 100% renewable energy, see the report.

A Note on 3(c)

In addition to milestone equity targets, Front and Centered also recommended that the UTC require utilities to *"provide a breakdown of the forecasted distribution of benefits and impacts*" for the "specific targets for energy efficiency, demand response, and renewable energy" "*(i) by all census tracts, indicating which census tracts are designated as highly impacted communities; (ii) by categories of residential customers designated as vulnerable populations; and (iii) by indicator values, including, but not limited to, health and safety, economic, resiliency, energy security, environment, and participation.*"[74] The resources included in this report may also be useful in identifying additional indicator values to include in the breakdown.

Conclusion

CETA uniquely positions Washington to take the lead on actively recognizing equity's role in energy policy. In order to effectively implement the law in a way that is reflective of this commitment, state energy regulators and electric utilities must track progress towards measurable equity targets. Washington state policy already recognizes the value of targets as an important policy mechanism through their required use for clean energy portfolio goals. While developing a system for the evaluation of equity goals may seem complex, a variety of resources exist to inform relevant metrics and indicators that should be tracked, as well as utility actions that can influence equity outcomes. The materials in the attached report offer a starting point for developing a system of milestone utility equity targets and utility actions that will ensure compliance with CETA and promote justice for highly impacted communities and vulnerable populations.

[71] Racial Equity Toolkit - City of Portland
[72] Building Blocks
[73] Building Blocks
[74] Front and Centered Comments on First Discussion Draft Rules (June 2, 2020)