

# 2014

## Just Energy Policies: Reducing Pollution and Creating Jobs

*EXECUTIVE SUMMARY*

ENERGY  
EFFICIENCY



SOLAR



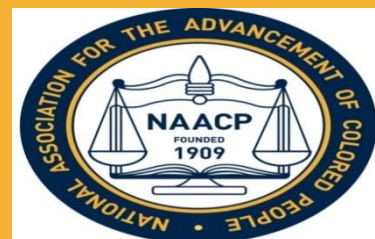
WIND



GEOHERMAL



National Association for the Advancement of Colored People (NAACP)  
Environmental and Climate Justice Program  
FEBRUARY 2014



Just Energy Policies and Practices Compendium  
*A State by State Guide to Energy Efficiency and Renewable Energy Policies*

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## WHY THE NAACP IS STANDING UP FOR JUST ENERGY POLICIES

Since 1909, the NAACP has addressed a vast array of civil rights issues including education, employment, housing, civic engagement, health, and criminal justice. Communities of color nationwide are, and have historically been, beset by human and civil rights violations, including disproportionate exposure to pollution, crime, substandard living conditions and more. African Americans who reside near energy production facilities including coal fired power plants, nuclear power plants, or biomass power plants, are more likely to suffer the negative health impacts of prolonged exposure to smog, lead, asbestos, mercury, arsenic, sulfur dioxide, nitrogen oxide and other toxins than any other group of Americans.<sup>1234</sup>

Prolonged exposure, to toxins from these energy production facilities, is tied to birth defects, heart disease, asthma attacks, lung disease, learning difficulties, and even lower property values. Approximately 68% of African Americans live within 30 miles of a coal-fired power plant, which produces the largest proportion of energy compared to any other energy production type. The health conditions associated with exposure to toxins coming from these plants disproportionately affect African Americans. An African American child is three times as likely to be admitted to the hospital and twice more likely to die from an asthma attack than a white American child. Though African Americans are less likely to smoke, they are more likely to die of lung disease than white Americans are.<sup>5</sup> A 2010 report by the National Research Council (NRC) calculates that particulate matter pollution from U.S. coal-fired power plants is solely responsible for causing approximately 1,530 excess deaths. In addition, properties in close proximity to toxic facilities average 15% lower property values.<sup>6</sup>

At the same time, many of the same polluting facilities that affect the daily health and well-being of host communities are major contributors to the greenhouse gases that are driving climate change. Carbon dioxide ( $CO_2$ ) emissions are the leading cause of climate change and coal-fired power generation accounts for 32% of all  $CO_2$  emissions.<sup>7</sup> Not only do low-income neighborhoods and communities of color suffer more of the direct health, educational, and economic consequences of these facilities, but also devastating natural disasters such as Hurricanes Katrina and Sandy, along with rising food prices and water shortages, harm low-income people and people of color disproportionately partly due to pre-existing vulnerabilities.

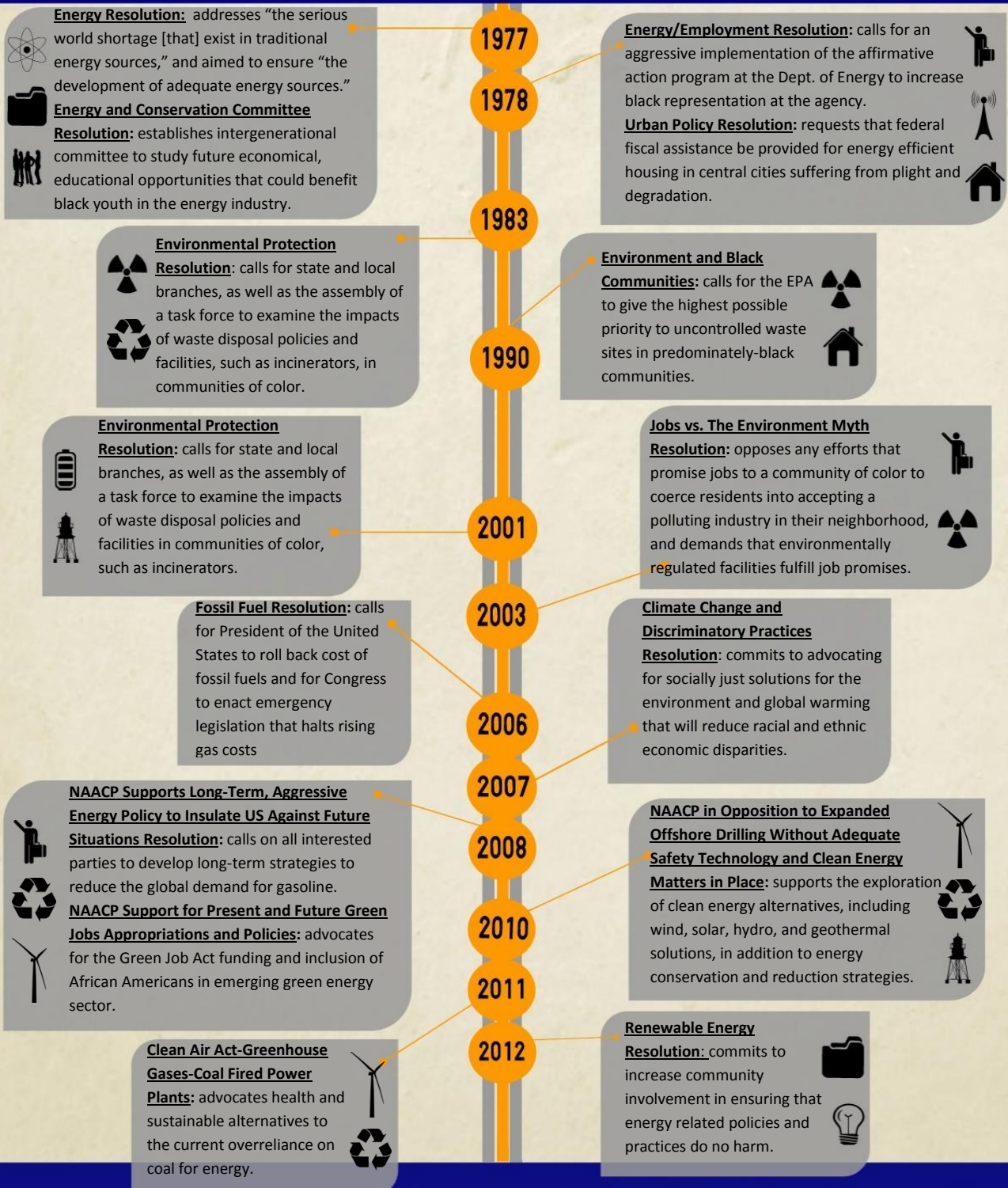
While African Americans are enduring most of the harmful impacts of energy production, they are reaping few of the benefits from the energy sector. According to a 2010 study by the American Association of Blacks in Energy, while African Americans spent \$41 billion on energy in 2009, they only held 1.1% of energy jobs and only gained .01% of the revenue from the energy sector profits.<sup>8</sup> Therefore, there is both inequity in the incidence of disease and the economic burden for communities of color that host energy production facilities.

African Americans should no longer abide the millstone of the noxious facilities and continue to be overlooked by the energy industry while living in blight. Given that the unemployment rate for African Americans has consistently been nearly twice that of the national average and the average wealth of white Americans is 20 times that of African Americans, it is past time to revolutionize the relationship communities of color have with this multi-billion dollar industry. Leading in a new energy economy serves as pathway out of poor health, poverty and joblessness while establishing a foundation of energy resources and security for generations to come.

The NAACP will continue to build upon its legacy of advocating for equity, economic justice, and environmental justice within the energy sector, especially in the broader context of climate change. The following diagram outlines the NAACP's policy precedence and the foundation for the recommendations we pose to enact change in the energy sector.

# NAACP's Just Energy Policy Resolutions

## "1977-2012"



## WELCOME

In opening this document, you have made a commitment to understand and advance just energy policies and practices. This energy policy compendium will give you the information you need to stand up for a just energy future. The rapid depletion of Earth's non-renewable resources coincides with increased energy consumption in the United States. With a growing understanding of the harmful impact of fossil fuel-based energy production on communities of color and low income communities, it is more important now than ever before that our communities take a stand to move our country to an energy efficient and clean energy future. Our intention in creating this compendium is that it will serve as a resource and will spur states to make sure their energy policies protect communities from harmful energy production processes while simultaneously providing equitable access to economic opportunities in energy efficiency and clean energy.

### Focal Policies

The Just Energy Policies Compendium profiles *Renewable Portfolio Standards*, *Energy Efficiency Resource Standards*, and *Net Metering Standards* for each state and also shares detailed information on how to access rebates/loan/grants, etc. for energy efficiency and clean energy.

#### ➤ *Renewable Portfolio Standards*

A Renewable Portfolio Standard (RPS) requires electric utility companies and other retail electric providers to supply a specific minimum amount of customer load with electricity from eligible renewable energy sources. In order to protect community health and well-being, as well as preserve the planet, we must transition to renewable energy. In setting standards for the content of RPS, the NAACP goes further and distinguishes that our sources and processes must be clean energy, recognizing that not all renewable energy has been proven safe with minimal impact on the environment and communities. Under this definition, we focus on efforts on advancing solar, wind, and geothermal energy.

#### ➤ *Energy Efficiency Resource Standards*

Energy Efficiency Resource Standards (EERS) establish a requirement for utility companies to meet annual and cumulative energy savings targets through a portfolio of energy efficiency programs. Given our current dependence on harmful energy production practices, we should reduce our demand for energy altogether.

#### ➤ *Net Metering Standards*

Net Metering Standards require electric utility companies to provide retail credit for net renewable energy produced by a consumer. Meaning, if the consumer generates more energy from their solar panels or wind turbines than they use, they can sell it back to the utility at the same rate at which they purchase electricity. In order to incentivize clean energy practices at the consumer level, we need to offer the opportunity for revenue-generation for individuals and small businesses that contribute to the grid through their energy production.

### *Equity in Energy Enterprise Policies*

As stated above, communities of color and low-income communities historically have less access to jobs and business development opportunities. As part of the effort to advance just energy policies and practices, it is essential to review state policy provisions to ensure that they foster economic growth for local communities. Two key provisions that can ensure equity in economic opportunities afforded by state policies are 'Local Hire' and 'Minority Business Enterprise.'

#### ➤ *Local Hire*

Local Hire is a goal or requirement to hire people who live near their place of work. States achieve this goal by requiring contractors with publicly funded projects to recruit a specified proportion of local residents as workers on the project. This provision: 1) ensures that tax dollars are invested back into the local economy; 2) reduces the environmental impact of commuting; 3) fosters community involvement; and 4) preserves local employment opportunities in construction.

➤ *Minority Business Enterprise*

Minority Business Enterprise is defined as a business that is at least 51% owner- operated and controlled on a daily basis by people who identify with specific ethnic minority classifications, including African American, Asian American, Hispanic American, and Native American. MBEs can be self-identified, but are typically certified by a city, state, or federal agency. The predominant certifier for minority businesses is the National Minority Supplier Development Council. Often publically funded projects set a requirement or goal to source MBEs as suppliers.

### *Financial Incentives for Energy Efficiency and Renewable Energy*

Tables listing each state's incentives and rebates for energy efficiency and renewable energy are included in each state profile in the compendium. Each incentive has a short description and a hyperlink to more information.

➤ *Statewide Incentives*

Statewide incentives are generally rebates and loan programs that individuals and businesses may claim according to the provisions of state law. Incentives may also include Local Options enacted by municipal governments.

➤ *Utility-Specific Incentives*

This section relates to the incentives offered by specific utilities in each state, and in some cases interstate utilities. Some programs are only available to either electric or gas customers of a certain utility. Different programs are available for residential and commercial customers.

➤ *Local Incentives*

Local incentives are those offered by counties, cities, and towns. Not all states have local incentives.

➤ *Non-Profit Incentives*

Non-profit incentives are offered by non-profit organizations. These are only available in some states.



## ENERGY EFFICIENCY AND CLEAN ENERGY POTENTIAL

To effectively promote just energy efficiency and clean energy policies in any state, we must know the potential for energy efficiency and clean energy. Energy efficiency potential has been studied across the United States. However, while some states have conducted studies about energy efficiency potential, there is not a collection of studies completed for every state. Clean energy potential is available through state by state analysis done by the National Renewable Energy Lab.

### Energy Efficiency Potential

**Energy Efficiency Potential (EEP)** is the amount of energy savings possible from implementing energy efficiency programs and policies. Despite evidence that clearly shows there is potential for all states in America to become more energy efficient, there is no national energy efficiency standard or policy. If the United States implements nationwide energy efficiency measures, there can be a range of benefits and savings by 2020 through a variety of sectors.

### Renewable Energy Potential

**Renewable Energy Potential (REP)** is the estimated annual generating capacity of renewable energy technologies that can be provided for a given region. The NAACP is committed to advancing sources of renewable energy that have been proven to be clean and contribute minimal harm to our communities and environment. These specific types of renewable energy include solar, wind and geothermal energy. U.S. electricity generation in 2012 consisted of only 12% from renewable energy sources (only 32% of this total is from solar, wind and geothermal sources).

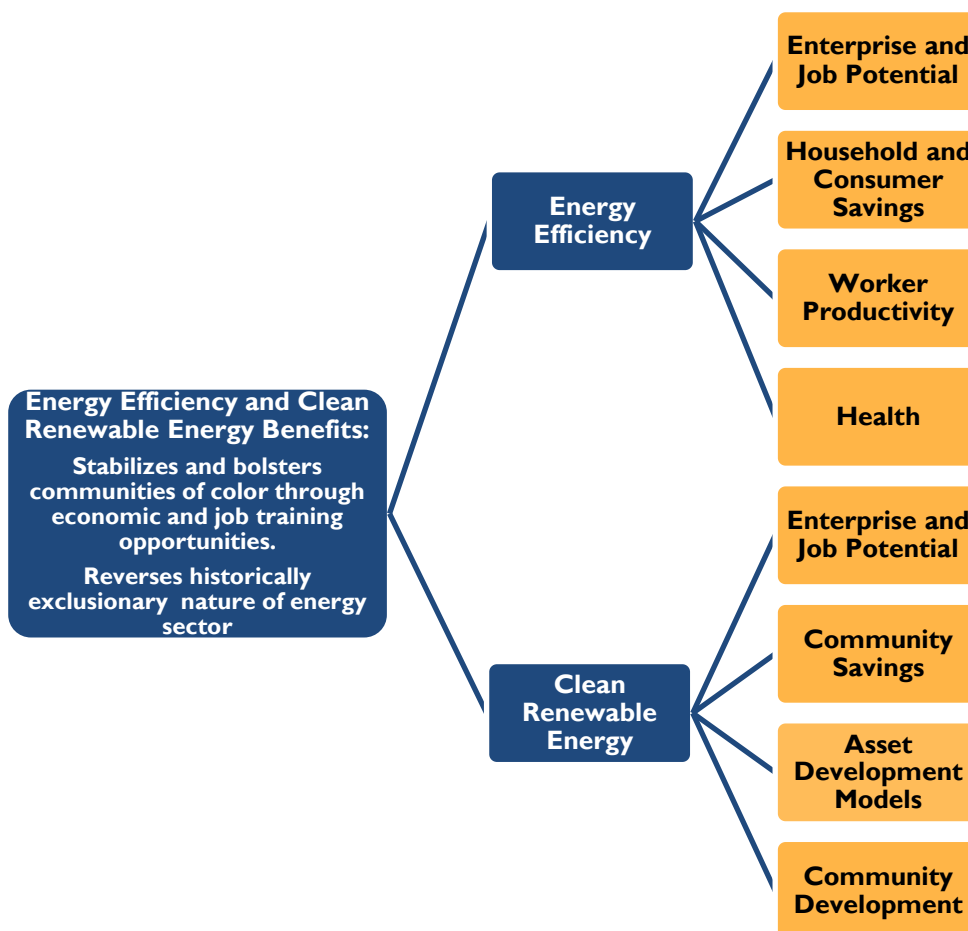
From 2007 to 2012, electricity from renewable sources such as wind, solar and geothermal nearly quadrupled nationally. The wind power market has expanded very quickly over a short period of time. Usage has tripled from 2007 to 2012. In 2012, the nation broke a record by installing more than 13,000 megawatts of wind power capacity and investing \$25 billion into the U.S. economy. Wind power is now the leading source of new capacity in the country and represents 42% of total power capacity and surpasses new natural gas capacity. Wind energy will be the leader in renewable electricity generation capacity, followed by solar energy and then geothermal energy by 2040. The current installed capacity of geothermal energy in the United States is 3,187 megawatts (MW). In the next 50 years, there is potential in the United States to have geothermal energy installed capacity of 10,000 MW.

## BENEFITS OF ENERGY EFFICIENCY AND CLEAN RENEWABLE ENERGY POLICIES AND PRACTICES

There are countless benefits that accompany the potential for energy efficiency and clean renewable energy in the United States. These technologies are transforming the energy sector and providing more opportunities for communities of color to become leaders in a sector where there has been scarce participation to date. Energy efficiency and clean renewable energy benefits are both macro and micro -- they bolster and sustain our domestic economy, as well as strengthen local communities, households and businesses. Energy efficiency produces a host of economic benefits, including household and consumer savings, worker productivity, and more. Better building materials associated with energy efficiency generate health benefits by improving indoor air quality and creating safeguards for people who are most susceptible to respiratory illnesses. Clean renewable energy benefits similarly increase community savings in the long-term and they offer a tremendous opportunity to develop assets within communities that can be leveraged for more economic and social benefits.

If electric utilities fulfill 20% of their electric sales through renewable energy by 2020, 1.9 million jobs can be created across the United States.<sup>9</sup> By 2030, an estimated 20% of U.S. electricity will be provided by wind power. The solar power industry is projected to become a \$15 billion industry by 2020.

The following diagram further details the benefits of energy efficiency and clean renewable energy as described in this section:





## RECOMMENDED ENERGY POLICY STANDARDS

The NAACP has established recommendations for Renewable Portfolio Standards, Energy Efficiency Resource Standards, and Net Metering Standards to provide guidelines for state energy policies. Based on sector analysis, these standards are attainable. If adopted nationwide, these policies will protect the well-being of communities as well as help to prevent climate change. Also, as part of its equity and economic justice agenda, the NAACP advocates for Local Hire and Minority Business Enterprise provisions to better support economic opportunities for African American entrepreneurs, businesses, and communities in the energy sector.

### **Renewable Portfolio Standards**

*A Renewable Portfolio Standard (RPS) requires electric utility companies and other retail electric providers to supply a specific minimum amount of customer load with electricity from eligible renewable energy sources.*

#### *Recommended Standard*

Minimally 25% renewable by 2025

#### *Mandatory/Voluntary*

Mandatory

#### *Allowable Sources*

Definition includes renewable electric energy sources, which naturally replenish over a human, rather than geological, period. The clean energy sources the NAACP supports are wind, solar, and geothermal.




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### **Energy Efficiency Resource Standards**

*Energy Efficiency Resource Standards (EERS) establish a requirement for utility companies to meet annual and cumulative energy savings targets through a portfolio of energy efficiency programs.*

#### **Recommended Standard**

Minimally 2% annual reduction of each previous year's retail electricity sales

#### *Mandatory/Voluntary*

Mandatory

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### **Net Metering Standards**

*Net Metering Standards require electric utility companies to provide retail credit for net renewable energy produced by a consumer.*

### **Capacity Limit Recommendation**

Per System: 2,000 kW (minimally)

#### *Mandatory/Voluntary*

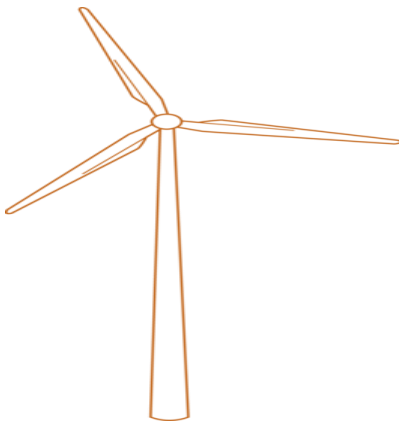
Mandatory

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Definition includes renewable electric energy sources, which naturally replenish over a human, rather than geological, period. The sources the NAACP supports are wind, solar, and geothermal.

### **Local Hire**

Local Hire is a goal or requirement to hire people who live near their place of work. States achieve this goal by requiring contractors with publicly funded projects to recruit a specified proportion of local residents as workers on the project. *The practice ensures that tax dollars are invested back into the local economy, reduces the environmental impact of commuting, fosters community involvement, and preserves local employment opportunities in construction.*



### *Components of Provision*

- Extra renewable energy credit multipliers for in-state installation and in-state manufactured content;
- Renewable energy credits for a utility providing incentives to build a plant in-state;
- Renewable energy credits for a utility that makes an investment in a plant located in-state;
- Quota for government assisted construction project employers to hire a percentage of workers locally;
- Bidding preferences for companies that hire a percentage of their employees in-state for state-funded public works projects and service contracts.

### *Minority Business Enterprise*

A Minority Business Enterprise is a business that is at least 51% owned, operated, and controlled on a daily basis by people who identify with specific ethnic minority classifications, including African American, Asian American, Hispanic American, and Native American. MBEs can be self-identified, but are typically certified by a city, state, or federal agency. The predominant certifier for minority businesses is the National Minority Supplier Development Council. Often publically funded projects set a requirement or goal to source MBEs as suppliers.

### *Components of Provision/Certification*

The MBE certification process is administered at the state level and may include the following:

- Provide training opportunities;
- Notify MBEs of state business opportunities;
- Set-aside funds for MBEs.

This provision establishes requirements for a certain percentage of the dollar amount spent on construction, professional services, materials, supplies, equipment, alteration, repair, or improvement by a state governmental entity to go toward MBEs.

## SUMMARY OF FINDINGS

This report catalogs a wealth of state level information on Renewable Portfolio Standards, Energy Efficiency Resource Standards, Net Metering Standards, and Economic Opportunities for Local and Workers and Minority Business Enterprises (MBEs).

### ***In studying the Renewable Portfolio Standards of the 50 states, we found the following:***

- 29 states, plus the District of Columbia have Mandatory Renewable Portfolio Standards, while 9 states have Voluntary Renewable Energy Portfolio Goals.
  - The states with mandatory standards include: Arizona, California, Colorado, Connecticut, Delaware, District of Columbia, Hawaii, Illinois, Iowa, Kansas, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oregon, Pennsylvania, Rhode Island, Texas, Washington, and Wisconsin.
  - Out of these 29 states and the District of Columbia, the states that meet or exceed the NAACP recommended standard of 25% by 2025 are: California, Colorado, Connecticut, Hawaii, Illinois, Maine, Minnesota, Nevada, New York, and Oregon.
- The states that have Voluntary Renewable Portfolio Goals are: Alaska, Indiana, North Dakota, Oklahoma, South Dakota, Utah, Vermont, Virginia, and West Virginia.
- Each state could tighten up on their definitions of renewable energy to comply with the NAACP recommended energy sources which are wind, solar, and geothermal, as all state RPS's include sources that are potentially harmful.

### ***In examining the Energy Efficiency Resource Standards of the 50 states, we found the following:***

- Eighteen states have Mandatory Energy Efficiency Resource Standards, and 8 states have Voluntary Energy Efficiency Resource Standards.
  - The states with mandatory goals are: Arizona, California, Colorado, Connecticut, Hawaii, Illinois, Indiana, Iowa, Maryland, Massachusetts, Minnesota, New Mexico, New York, North Carolina, Ohio, Pennsylvania, Washington, and Wisconsin.
  - The states with Voluntary Energy Efficiency Resource Goals are: Arkansas, Delaware, Maine, Missouri, Oregon, Texas, Vermont, and Virginia.
- The state standards that are comparable to the NAACP Recommended Standard of 2% annual reduction of previous year retail electricity sales are: Arizona, Delaware, Illinois, Indiana, Massachusetts, New York, and Vermont.

### ***In reviewing the Net Metering Standards of the 50 states, we found the following:***

- Net Metering Standards are the most pervasive standards in the United States with 43 states plus the District of Columbia having Mandatory Net Metering Standards, while 3 states have Voluntary Net Metering Goals.
  - The states with Net Metering Standards are: Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Hawaii, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming.
- The states with Voluntary Net Metering Goals are: Idaho, South Carolina, and Texas.
- States that meet or exceed the NAACP recommended standard for Net Metering with a maximum of 2,000 kW or more are: Arizona, California, Colorado, Connecticut, Delaware, Florida, Maryland, Massachusetts, New Jersey, New Mexico, New York, Ohio, Oregon, Pennsylvania, Rhode Island, Utah, Vermont, and West Virginia.

### ***In investigating the economic opportunity provisions for local workers and MBEs in energy policies for the 50 states, we found the following:***

- Only 9 states had explicit Local Hire provisions within the Renewable Portfolio Standards, Energy Efficiency Resource Standards, and Net Metering Standards.
  - The states with Local Hire Provisions are: Arizona, California, Delaware, District of Columbia, Maine, Massachusetts, Michigan, Minnesota, and Montana.
- There were no states with Minority Business Enterprise provisions specific to energy policies.

## **CONCLUSION**

The movement to advance environmental and climate justice demands we take immediate and aggressive action, because environmental impacts have in the past, do in the present, and will increasingly in the future, affect low-income Americans and people of color in particular, in disproportionate numbers. Environmental justice demands we act as good shepherds of our common-pool resources, for both the sakes of our homes, and as a matter of our health. Given the top position of the fossil fuel based energy sector in negatively impacting the environment on which we all depend for health and wellbeing, the most meaningful, long-term approach to environmental and climate justice demands we reduce our reliance on energy and that we construct solar, wind, and geothermal power generation systems as the cleanest possible options for our community, state, and national energy modernization.

As the energy efficiency and clean energy transition advances, we must be careful not to put 'old wine in new wine skins' by repeating the patterns of environmental and economic injustice that has brought us to where we are now. We must ensure that new models of reducing our energy usage and building new energy systems based on clean energy are centered in priorities and practices that prioritize community ownership and control, local economic development, workers rights, affordability and access.

### **Energy Efficiency**

A common and misleading refrain is that renewable energy systems cannot be built on a sufficient scale to meet a significant portion of our energy needs. However, as a nation, we waste 87% of all the energy we consume,<sup>10</sup> most of which is from fossil fuels. As communities, cities, and states build renewables capacity, the institutionalization of the "waste not, want not" mantra will increasingly scale-up the impact of renewable energy.

This report has called for state level energy efficiency resource standards that mandate minimally, an ongoing 2% annual reduction in energy use over each previous year's retail electric sales.

Through a combination of energy efficiency resource standards and other initiatives like common-sense transportation policies, building codes, and appliance standard, the top 10 states for energy efficiency, according to the American Council for an Energy-Efficient Economy, were: Massachusetts (#1), California (#2), New York (#3), Oregon (#4), Connecticut (#5), Rhode Island (#6), Vermont (#7), Washington (#8), Maryland (#9), and Illinois (#10). States with the most room for improvement in 2013 were: Missouri (#43), Louisiana (#44), Nebraska (#45), West Virginia (#46), Mississippi (#47), Alaska (#48), South Dakota (#49), Wyoming (#50), and North Dakota (#51).<sup>11</sup>

The Alliance to Save Energy has found that America's households can save \$1,000 each year if we double efficiency, representing \$327 billion in waste<sup>12</sup> that we could reinvest in other areas of our lives. Wasted energy, especially where polluting and non-renewable energy sources have comprised the lion's share of power use, has grave justice implications. Starting with energy efficiency resource standards, states can begin improving the resilience and sustainability of its communities.

### **Renewable Energy**

As a nation, total renewables use only accounted for 7-9% of all the electricity and fuels Americans used in 2013.<sup>13</sup> In the absence of a national renewable energy portfolio standard, this report has called for state standards that mandate, minimally, 25% renewable energy by 2025. The states with the most catalytic renewable portfolio standards containing targets exceeding minimal recommendations were Maine (40% by 2017), Hawaii (40% by 2030), California (33% by 2020), Minnesota (up to 32% by 2020), Colorado (up to 30% by 2020), New York (29% by 2015), and Connecticut (27% by 2020). Nevertheless, all states'

renewables standards contained some sub-optimal allowable sources, which have a history of proven harms.

Multiple states have proven that a transition to clean energy is possible with already implementing clean energy use at large scale.

- As of the end of 2012, 23 states generated at least 1 gigawatthour (GWh) of electricity from solar energy.<sup>14</sup> The 10 states which generated the most solar power were California (1,382 GWh), Arizona (955 GWh), Nevada (473 GWh), New Mexico (334 GWh), New Jersey (304 GWh), Florida (194 GWh), Colorado (165 GWh), North Carolina (139 GWh), Texas (118 GWh), and New York (53 GWh).
- As of the end of 2012, 40 states generated at least 1 GWh of electricity from wind energy.<sup>15</sup> The 10 states which generated the most wind power were Texas (32,214 GWh), Iowa (14,032 GWh), California (9,754 GWh), Oklahoma (8,158 GWh), Illinois (7,727 GWh), Minnesota (7,615 GWh), Washington (6,600 GWh), Oregon (6,343 GWh), Colorado (5,969 GWh), and North Dakota (5,275 GWh).
- As of the end of 2012, only 6 states generated at least 1 GWh of electricity from geothermal sources.<sup>16</sup> They were California (12,519 GWh), Nevada (2,347 GWh), Utah (335 GWh), Hawaii (261 GWh), Idaho (75 GWh), and Oregon (26 GWh). Notably, 93% of the electricity generated with geothermal energy resources came from independent power producers rather than electric utilities.
- As of 2012, the states which had produced the greatest portion of total electricity from solar, wind, and geothermal resources combined were Iowa (25%), South Dakota (24%), North Dakota (15%), Minnesota (15%), Idaho (13%), California (12%), Kansas (12%), Colorado (12%), Oklahoma (11%), and Oregon (11%).<sup>17</sup>

These states are early standouts in what must be an accelerated development path toward powering our communities, states and nation with the cleanest possible sources. All states can and must do more. The sustainability and justice implications are grave for a continuing addiction to dirty power with hidden costs, and so the shift to renewable energy will make our communities, states, and nation safer, healthier, more resilient, and more prosperous.

### **Net Metering**

When a state's ratepayers can be compensated at or above the retail rate for generating and selling excess renewable electricity back to their grids, entire communities benefit. Net metering spurs energy modernization and renewable energy investment at the customer level with distinct health, environmental, and economic benefits.

Florida and Ohio allow all customers classes to participate at or above 2,000 kW with no aggregate limitations on either a statewide or utility-wide basis. Together, these two states have over 5,000 ratepayers who have taken advantage of net metering policies.

Catalytic net metering standards are fundamental to the democratization of our communities', states' and our nation's shift to clean, renewable energy sources, like solar, wind, and geothermal energy. Power decentralization will make our electrical systems more sustainable, efficient, and resilient.

### **Building an Inclusive Green Energy Economy**

Building green and efficient energy systems toward environmental and climate justice must also entail economic justice principles. As the growth of an energy efficient, clean energy economy creates jobs, communities should reap the benefits of development occurring in their own backyards. Well-crafted, disadvantaged business enterprise provisions and local hiring policies are important starting points for

making our energy modernization an inclusive process that builds community effectiveness and resilience. Additionally, it is important that energy efficiency and clean energy resources are affordable and accessible to ratepayers and communities.

#### *Local Hiring Provisions*

Progress within local hiring policies is encouraging in a few states, as this is an important mechanism for maximizing the benefits of local renewable energy development for local economies and communities.

- California's local hire program, for instance, directs \$550 million a year toward deploying renewables and energy efficiency technologies at public facilities, like schools by funding both the state's general Job Creation fund and the Clean Energy Job Creation Fund.

#### *Minority Business Enterprise*

The extension of effective disadvantaged business enterprise models to states' energy industries in particular with set-asides ensuring a minimal percentage of procurements go to disadvantaged businesses; with regular, catalytic formal training programs; and with notification systems that guarantee that no opportunity gets missed, would have significant, positive impacts on economic justice, and on environment and climate justice in tandem. Currently no state has an MBE provision in place that is specific to energy policies.

#### *Community Asset Development*

Principles of justice based energy systems include minimizing harms, sustainability, affordability, and inclusive decision making. Distributed energy and community ownership are key mechanisms to ensure that these principles are central to the new energy economy, as well as collective ratepayer engagement in non-community owned systems.

- Minnesota's public utilities must enter into 20-year power purchasing agreements with community-owned renewable energy projects under the Community-Based Energy Development Tariff. The tariff requires that 51% of electricity revenue go to Minnesota owners or local entities; that no one owner can hold over 15% of a project, except for municipalities; that a project must have community support; and that all owners of properties that are traversed by transmission lines must be allowed to invest.
- At the community-level, University Park Community Solar project in University Park, Maryland, and the Evergreen Cooperative in Cleveland, Ohio are examples of asset development and community ownership models.
- Groundswell engaged the NAACP Headquarters in Maryland in a Community Energy Purchase Agreement which enabled the Association and scores of partners to save money on our electricity bills and procure all of our energy through renewable energy certificates for local and national wind. Electricity aggregation is a model for harnessing the power of collective, cooperative buying to change the energy landscape and save money for ratepayers.

### **In Sum**

At the individual, family/household, community, state, and national levels, just energy policies, inclusive of mechanisms that focus on equity and economic justice, will lay the groundwork for a new energy economy that prioritizes sustainability, affordable energy access, and community and worker safety. Though this report focused on certain policies, similar analysis should be applied as other energy policy proposals are advanced at national, state and local levels.

In order to establish new just energy policy and practice initiatives and expand existing models, an inclusive political landscape is critical. Political disenfranchisement is often part and parcel of

environmental injustice in communities across the United States. Whether it is elected officials, or representatives on zoning boards, public utilities commissions and rural electric co-op boards, ensuring that people in decision making spaces represent the interests of all communities is critical.

Funding is also essential to seeing models of community ownership of energy, to retrofits necessary to realize energy efficiency goals, and to finance research and development, we need to establish robust storage and transmission for clean energy. Foundations and other financing entities must invest with the caveat of ensuring that the justice based principles are applied to any supported projects.

Communities and states nationwide are already demonstrating that this transition is possible and beneficial. Now we need to ensure that community leadership, funding options, and political will, are at the level necessary to advance local, state, and national transformation to a justice based new energy economy.

The NAACP is committed to using this analysis of energy efficiency and renewable energy potential and policies, in tandem with economic development and equity models, as tools for the continued transformation of the energy sector. We will be hosting a series of meetings and events aimed at mobilizing our units, collaborating with our partners, and working with stakeholders in implementing these recommendations, as outlined in the soon-to-be-released Just Energy Policies Action Toolkit.

## ENDNOTES

<sup>1</sup> Biomass Electricity: Clean Energy Subsidies for a Dirty Industry, Biomass Accountability Project, <http://www.pfpi.net/wp-content/uploads/2011/06/BAP-Biomass-Projects-Report.pdf>.

<sup>2</sup> Environmental Injustice in Siting Nuclear Power Plant, University of Notre Dame [http://www3.nd.edu/~kshraider/pubs/final-pdf-ej-uke-siting-wi-Allred\\_08-0544.pdf](http://www3.nd.edu/~kshraider/pubs/final-pdf-ej-uke-siting-wi-Allred_08-0544.pdf).

<sup>3</sup> Energy Justice Network – The Air of Injustice, [http://www.energyjustice.net/files/coal/Air\\_of\\_Injustice.pdf](http://www.energyjustice.net/files/coal/Air_of_Injustice.pdf).

<sup>4</sup> Air Quality, American Lung Association. <http://www.lung.org/assets/documents/publications/solddc-chapters/air-quality.pdf>.

<sup>5</sup> Energy Justice Network – The Air of Injustice, [http://www.energyjustice.net/files/coal/Air\\_of\\_Injustice.pdf](http://www.energyjustice.net/files/coal/Air_of_Injustice.pdf).

<sup>6</sup> National Research Council. Committee on Health, Environmental and Other External Costs and Benefits of Energy Production and Consumption. *Hidden Costs of Energy: Unpriced Consequences of Energy Production and Use*. National Academies Press, 2010. pp. 82-94.

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<sup>10</sup> <http://www.aceee.org/press/2010/04/americas-anemic-13-percent-economy-experts-warn-us-risks>

<sup>11</sup> <http://www.aceee.org/research-report/e13k>

<sup>12</sup> <http://www.ase.org/policy/energy2030>

<sup>13</sup> United States Energy Information Administration, <http://www.eia.gov/electricity/monthly/>

<sup>14</sup> United States Energy Information Administration, <http://www.eia.gov/electricity/monthly/>

<sup>15</sup> United States Energy Information Administration, <http://www.eia.gov/electricity/monthly/>

<sup>16</sup> United States Energy Information Administration, <http://www.eia.gov/electricity/monthly/>

<sup>17</sup> United States Energy Information Administration, <http://www.eia.gov/electricity/monthly/>