Transforming utility customer service: Equity in decarbonization



Many states throughout the country are beginning to set their own greenhouse gas (GHG) emission limits to combat climate change. In order for states to meet these limits, significant GHG reductions from both the commercial & industrial and residential sector are necessary. This series of articles will examine how technology intersects with supporting policies to drive residential sector decarbonization. In addition to developing and advancing new technologies, it is critical to have corresponding policies that ensure that programs have a focus on equity so that everyone can participate in and benefit from decarbonization efforts.

This article focuses on the importance of community input, diverse marketing approaches, workforce development, and the development of metrics as critical components to ensuring that equity is at the heart of the development and delivery of utility sponsored GHG reduction programs. It is vital that the transition to a low carbon future is inclusive and does not disadvantage certain low income or marginalized populations.

Leading non-government organizations are working collaboratively with utilities and stakeholders from across the country to help develop initiatives that focus on equity in decarbonization. One such project is the Leading with Equity Initiative convened by the American Council for an Energy-Efficient Economy (ACEEE). ACEEE established the initiative in February 2021 with a core mission to "convene community-based organizations, advocates, and utilities to jointly define success for equitable decarbonization."

One of the central themes from the initiative is the importance of input. As decarbonization programs are being developed, it is imperative that there is input and representation from the communities that have historically been most negatively impacted by pollution and climate change. Community representatives deeply understand their communities and what implementation strategies will resonate with their members when it comes to energy efficiency and carbon reduction programs.

In addition to input, awareness is also critical in ensuring equity in decarbonization programs. General awareness of technologies like heat pumps may initially be low and this fact is often time exacerbated in low income or marginalized communities. Marketing of new utility programs that focus on decarbonization is critical so that people can become educated about these technologies, which is often the first step towards acceptance of a new technology. NYSERDA is undertaking a multi-prong awareness campaign that includes TV, digital banners,

digital video, streaming radio, sponsored content, email, social media, and paid search. This type of approach is important for reaching different populations that may consume media differently.

When implementing decarbonization programs, it will be crucial for utilities to develop and track metrics to ensure that programs are being administered equitably. This can take on many different forms. Metrics could be targeted at whole communities and could focus on increases in investment or participation in environmental justice communities. Alternatively, metrics could be focused on specific populations like low/moderate income customers or English isolated customers. Key metrics could also be targeted at functional areas like commitments to training and developing a more inclusive workforce or increasing partnerships with community-based organizations that serve certain areas.

Focusing on developing a diverse and inclusive workforce that can implement decarbonization programs in environmental justice communities, such as installing heat pumps, has multiple benefits from an equity perspective. Workforce development should be considered as a part of any utility sponsored decarbonization program. Jobs focused on weatherization or installing clean heating equipment are good paying jobs which helps return money to local communities. Customers are often more comfortable working with contractors from their own community or those contractors that can speak the same language. Having a workforce that is more reflective of targeted communities will help increase overall program participation and help more people participate in the program than would have otherwise.

Even with best intentions in mind, there are still specific issues associated with low carbon technologies that can make to getting to scale in low-income populations challenging. Cost is always a consideration when developing programs for low-income populations. To the extent that low carbon technologies like heat pumps cost more than their fossil fuel equivalent, upfront incentives may be necessary to offset any incremental capital costs between the technologies. However, there may also be considerations with ongoing operational costs. In those areas where there is a material differential in the price between gas and electricity, running an electric heat pump may be more expensive than using a gas boiler or furnace. In those situations, other incentive schemes may be necessary to defray the difference in operational costs.

Getting customers to adopt low carbon technologies is critical in the fight against climate change. However, all customers need to be included in the transition to a low carbon future from a fairness and scalability perspective. Utility programs designed to encourage customers to install the technologies that are on the forefront of the decarbonization effort must take into account the specific needs of certain key populations and communities. Representatives from these communities should be included in the initial development of any sustainability programs with awareness campaigns geared towards those specific populations. Explicit equity related metrics are critical to measure and track success.

Without a trained workforce that can reach certain populations, decarbonization programs will fail to reach those customers who may most benefit from the programs. In order to truly achieve sustainability goals at the scale necessary to combat climate change, equity needs to be at the center of any decarbonization program.

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