

Energy Efficiency for an Equitable Energy and Housing Future

The Missouri Energy Efficiency for All (EEFA) coalition advances solutions that ensure all renters live in homes that are affordable and healthy. Missouri EEFA is committed to repairing historical racial inequities around energy and housing and to pursuing racial justice through all aspects of its work.

1 INTRODUCTION

Why energy efficiency?

Energy efficiency is a critical opportunity to reduce energy costs, improve quality of housing, and catalyze good-paying job creation. **Targeted energy efficiency investments in marginalized communities can address issues of dilapidated housing, environmental injustice, and a growing wealth inequality gap**, direct results of discriminatory federal, state, and local policies meant to segregate and economically exclude.

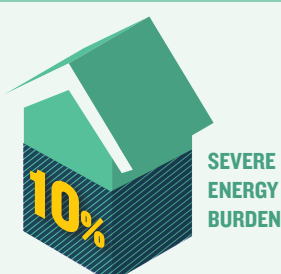
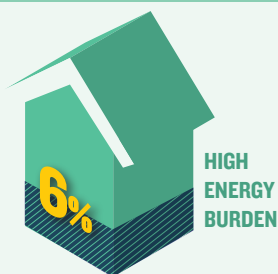
2 LEVEL SETTING

What is an energy burden?

An energy burden is defined as the percentage of a household's income spent on utilities for heating, cooling, and other home energy services. According to the most recent EIA Residential Energy Consumption Survey, **one in five households** reported forgoing or reducing necessities like food and medicine to pay an energy bill.¹

A household with a high energy burden spends more than 6% of its income toward energy costs, while a household with a severe energy burden spends more than 10% of household income on energy costs.²

PERCENT OF HOUSEHOLD INCOME

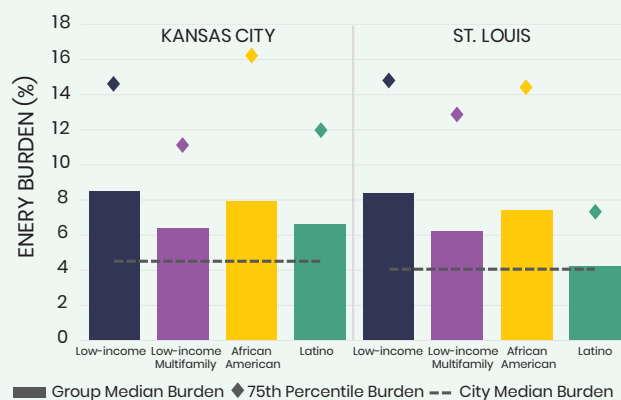


In 2016, **St. Louis and Kansas City ranked 10th and 11th** respectively among cities with the highest energy burdens.³

Why is energy efficiency an issue of racial equity?

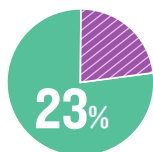
A history of divestment in the infrastructure (i.e., housing) of communities of color has led to greater energy burden and poor housing quality. **Energy efficiency can reduce energy costs and indoor health hazards faced by communities of color** which lead to greater numbers of evictions, shutoffs, and respiratory hospital visits.

ENERGY BURDENS: MEDIAN AND 75TH PERCENTILE

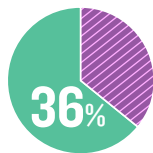


Data Source: American Housing Survey, 2011

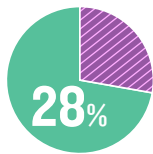
*25% of households in each demographic have an energy burden greater than the level indicated by each diamond (75th percentile).



Nationally, about 23% of White (non-Hispanic) households are energy burdened,



whereas 36% of Black households; 36% of Native American households; and



28% of Hispanic households are energy burdened, or spend 6% or more of their annual income on energy bills.⁴

Efficiency upgrades to homes, including air sealing and insulation, can **reduce asthma-related visits to the emergency room by 12%** according to one study.⁷ Other studies indicate that **40% of diagnosed asthma cases are linked to home exposure** to moisture, pests or inconsistent temperatures, which can all be mitigated by building efficiency and ventilation system improvement.⁸



65% of extremely low-income renters in MO (households making below 30% of area median income) **pay more than half of their income towards rent and utilities.**⁵



Black St. Louisans made **8.5 times more visits to the emergency room due to asthma** than White St. Louisans between 2010 and 2015.⁶

Why focus on energy efficiency in affordable multifamily housing (AMF)?

Renters in multifamily affordable housing have little to no control over property management decisions. Because energy costs are generally passed to renters, property owners are not adequately incentivized to pay the upfront costs of energy efficiency improvements. As a result, low-income renters, often people of color, face disparate energy burdens and risk of shutoff, eviction, and homelessness.



Bringing low-income multifamily housing stock to the median efficiency level of a multifamily building would eliminate 35% of residents' excess energy burden.¹⁰



11.1% KANSAS CITY

12.9% ST. LOUIS

A quarter of all low-income multifamily households in Kansas City and St. Louis spend more than 11.1% and 12.9% of annual income on energy, respectively.⁹

What are the benefits of energy efficiency?

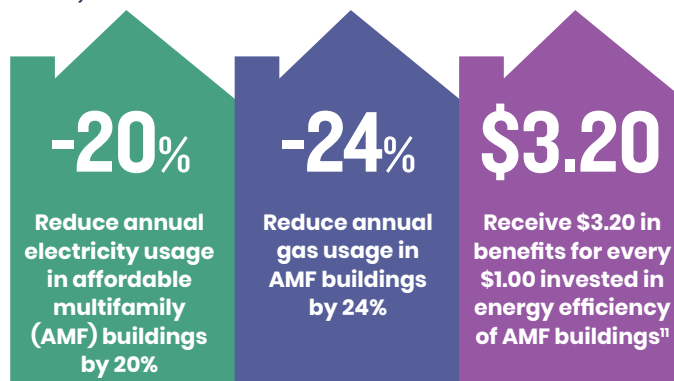
Missouri Communities

- Addresses racial disparities in energy affordability, housing, and environmental quality
- Reduces high energy bills and the associated risk of utility shut-offs and eviction
- Improves indoor air quality resulting in fewer hospital visits, missed school, and work
- Creates local economic activity by inducing jobs and freeing discretionary income
- Reduces operating and maintenance costs for property owners, freeing capital for reinvestment

Missouri Energy System

- Reduces costs associated with collection activity and transmission, distribution, and generation investments
- Enhances the resilience and reliability of energy service
- Supports emissions reduction and diversification of energy generation sources

A STUDY CONDUCTED BY EEFA FOUND THAT BY 2034, MISSOURI COULD COST-EFFECTIVELY:



3 POLICY AND PROGRAM ENGAGEMENT

Recommendations and strategies

Specific Policies

Community representation: Uplift community representatives and perspectives in energy-related regulatory cases, policies, and program development

Increased investment: Strategically increase energy efficiency budgets for low-income and low-income multifamily programs

Multifamily weatherization: Designate an agency to weatherize all large multifamily buildings (5+ units) throughout the state

Financing: Assist property owners in accessing investments for whole home retrofits through low-interest financing, while mitigating potential rent increases

Dedicated housing funds: Increase funding for the State Housing Trust Fund and establish strong energy, racial equity, and BIPOC hiring standards for state and local housing trust funds

Tenant energy rights: Establish habitable housing enforcement including energy efficiency standards, health hazards, and energy bill transparency

Program Approaches

Streamlined programs and eligibility: Use one-stop-shop models for utility energy efficiency programs, in concert with funding and resources from housing, health, and other energy services like weatherization

Deep retrofits: Focus on a whole-building approach through rich incentives that cover most or all costs of measures

Targeted energy efficiency programs: Ensure customers in high arrears, communities with high energy burdens, renters, and customers living in affordable housing are served

Impact measurement: Establish metrics for tracking the equity impact of energy efficiency programs (e.g., reduced energy bills, reduced arrears, equitable distribution of benefits, racial equity impacts)

Economic access: Support energy efficiency workforce development (e.g. contracting, business development, training) targeted to historically marginalized communities and track employment metrics

4 ABOUT MO EEFA

■ **Mission statement:** Missouri EEFA works to improve efficiency and affordability in low-income multifamily housing through engaging utilities and building power with local communities.

■ **Vision Statement:** Communities, governments, and utilities work together to ensure that All Missourians live in affordable, efficient, healthy housing.

■ **Racial Equity Statement:** Missouri EEFA is committed to repairing historic racial inequities around energy and housing and to pursuing racial justice through all aspects of our work statewide. At all times, we will denounce racism, bigotry, and injustice while weaving the core values of diversity, equity, and inclusion into the fabric of all aspects of our operations.

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MO EEFA Website: <https://www.energyefficiencyforall.org/states/missouri/>

MO Saves: <https://mosaves.com/>

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