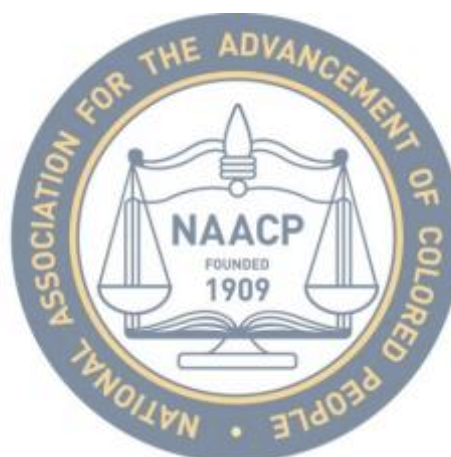


JUST ENERGY POLICIES: Model Energy Policies Guide



Environmental and Climate
Justice Program, NAACP

National Association for
the Advancement of
Colored People
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JUST ENERGY POLICIES: MODEL ENERGY POLICIES GUIDE

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NAACP ENERGY JUSTICE RESOLUTIONS 1974 - 2000

1974

The Energy Crisis: calls for the expansion and protection of energy sector jobs, institution of price controls for the retail cost of energy, standards to ensure the provision of essential energy-related needs for low-income families, advocacy and solutions to energy needs in emergencies, and the appointment of African Americans to decision-making and regulatory bodies in the energy sector.

1974

1976

Utility Rates - Regulatory Commissions Membership: calls for a moratorium on rate increases, broader based representation of consumer advocates on utility regulatory bodies, and for members to act as necessary to achieve this end.

1977

Energy: calls for the President of the United States and appropriate agencies to develop programs that protect access to energy for low income households and that the NAACP begin engaging in energy research with ally organizations to make recommendation for our energy future

1977

Energy and Conservation Committee: calls upon the NAACP Board of Directors to create a special Energy and Conservation Committee comprised of youth and adult members to study the future jobs, vocational, economic, and educational opportunities that could benefit black youth in the energy sector

1977

Energy Transportation Security Act of 1977: endorsed the enactment of the Energy Transportation Security Act of 1977 – H.R. 1037.

1978

Energy: calls upon NAACP bodies to monitor all branches of government for the express purpose of assuring that the concept of energy as a vehicle either to depress the state of the American economy as to impose a further economic burden upon the poor and those who live on limited and fixed incomes in this nation

1978

Energy/Employment: called upon the Department of Energy to immediately implement its affirmative action program with a budget to recruit blacks for positions on all levels of that department.

1978

Energy Policy and Socio-Economic Input Assessment: calls for the drafting of socio-economic impact assessment prior to decisions on energy matters, with respect to employment, health, the environment, housing, transportation, education and the general quality of life of black and other disadvantaged people of the United States.

2000

NAACP ENERGY JUSTICE RESOLUTIONS 2001 - 2017

2001

Environmental Protection Resolution: calls for state and local branches, as well as the assembly of a task force to examine the impacts of waste disposal policies and facilities in communities of color, such as incinerators.

2001

2003

Jobs vs. The Environment Myth Resolution: opposes any efforts that promise jobs to a community of color to coerce residents into accepting a polluting industry in their neighborhood and demands that environmentally regulated facilities fulfill job promises.

2006

Fossil Fuel Resolution: calls for President of the United States to roll back cost of fossil fuels and for Congress to enact emergency legislation that halts rising gas costs.

2007

Climate Change and Discriminatory Practices Resolution: commits to advocating for socially just solutions for the environment and global warming that will reduce racial and ethnic economic disparities.

2008

NAACP Supports Long-Term, Aggressive Energy Policy to Insulate US Against Future Situations Resolutions: calls on all interested parties to develop long-term strategies to reduce the global demand for gasoline.

2010

NAACP in Opposition to Expanded Offshore Drilling Without Adequate Safety Technology and Clean Energy Measures in Place: supports the exploration of clean energy alternative, including wind, solar, hydro, and geothermal solutions, in addition to energy conservation and reduction strategies.

2008

NAACP Support for Present and Future Green Jobs Appropriations and Policies: advocates for the Green Job Act funding and inclusion of African Americans in emerging green energy sector.

2011

Clean Air Act — Greenhouse Gases — Coal Fired Plants: advocates health and sustainable alternatives to the current overreliance on coal for energy.

2012

To Set a Goal of 25% Renewable Energy by 2025 (Renewable Energy Resolution): commits to increase community involvement in ensuring that energy related policies and practices do no harm.

2015

Advancing Clean Energy Resources: commits to support clean energy resources and advocates for affordable access to clean energy options for all.

2014

Promoting Equitable Access to Clean Energy Alternatives: supports policies and programs that ensure affordable access to clean energy sources and advocates for sustainable job opportunities for low-to moderate-income communities.

2016

Resolution Against Natural Gas as a Climate Solution, or a "Bridge" Fuel to a Clean Energy Future: calls for authorities to protect vulnerable families from the pollution of fracking gas and stop the fossil fuel industry from burning natural gas-emitting methane.

2017

INTRODUCTION: NAACP MODEL ENERGY POLICIES

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.

These model policies provide guidelines for state and local energy policies. Based on industry analysis, these standards are rigorous, yet attainable. If adopted nationwide, these policies will help to prevent climate change, as well as protect the well-being of communities.

NAACP'S ENVIRONMENTAL & CLIMATE JUSTICE PROGRAM

The three main objectives of the NAACP's Environmental and Climate Justice Program are:

1. **Reduce harmful emissions, particularly greenhouse gases:** Combines action on shutting down coal plants at the local level with advocacy to strengthen development, monitoring, and enforcement of regulations at the federal, state, and local levels. Also includes a focus on corporate responsibility and accountability.
2. **Advance energy efficiency and clean energy:** Works at the state level on campaigns to pass renewable energy and energy efficiency standards while simultaneously working at the local level with small businesses, unions, and others on developing demonstration projects to ensure that communities of color are accessing revenue generation opportunities in the new energy economy, while providing safer, more sustainable mechanisms for managing energy needs for our communities and beyond.
3. **Improve community resilience:** Ensures that communities are equipped to engage in climate action planning that integrates policies and practices on advancing food justice, advocating for transportation equity and upholding civil and human rights in emergency management.

Addressing pollution from non-renewable forms of energy and working on a just transition to energy efficient communities and use of clean energy while preserving health and livelihoods of community members are key components of the NAACP Energy Justice strategy.

THE JUST ENERGY POLICES INITIATIVE

The purpose of the NAACP's Renewable Energy Campaign is to engage communities of color and low income communities as leaders on advancing state legislation on Renewable Portfolio Standards, Energy Efficiency Resource Standards, and Distributed Generation Standards. The immense strength within these communities will build channels of support that advance environmental justice and social change. In addition, as part of its economic justice and equity agenda, the NAACP advocates for policies that advance equity in energy enterprise development to better support economic opportunities in the energy sector for people of color, low income persons, and women entrepreneurs and their communities and businesses. Communities of color historically have had disproportionately less access to jobs and wealth creation opportunities in the energy sector. 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.

The NAACP has identified five policies that advance the transition to a more inclusive, clean, and equitable energy economy. These focal policies include policies and programs include:



PICTURE 1. NAACP MEMBERS GATHERED FOR AN ENERGY JUSTICE TRAINING IN BALTIMORE, MD
SOURCE: NAACP

ENERGY FOCUSED POLICIES

Renewable Portfolio Standards (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 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, the focus on efforts on advancing solar, wind, and geothermal energy.

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, Distributed Generation, and Community Renewable Energy: 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. 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. This often is seen in individual and community shared renewable energy.

EQUITY IN ENERGY ENTERPRISE POLICIES

Local Hire Provisions: goals or requirements for organizations and companies 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 residents as workers on the project.

These provisions:

- 1) Ensure that tax dollars are invested back into the local economy;
- 2) Reduce the environmental impact of commuting;
- 3) Foster community involvement; and
- 4) Preserve local employment opportunities in construction.

Disadvantaged Business Enterprise (DBE): a business that is at least 51 percent owner-operated and controlled by individuals who identify with specific ethnic minority, gender, disability, and other disadvantaged group classifications. DBE is an umbrella term for Minority Business Enterprise (MBE), Woman Business Enterprise (WBE), and other such distinctions. These groups 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 publicly funded projects set a requirement or goal to source DBEs as suppliers.

In this guide, you will find information on these policies and the various form they take across the United States, which will build your unit's knowledge and understanding of energy policies as you all prepare your Just Energy Policies Campaign.

Working independently or in partnerships and coalitions to advance model policies is a powerful way to bring about change. When thinking about what shape your unit's campaign will take and what energy justice policies and actions it will address, the companion document, *Just Energy Policies: Model Policies*, will be a useful resource. The framing in this document will be the basis of how of the *Just Energy Policies: Community Action Toolkit* can be used. These model policies can be tailored to the specific needs of your community and state and local contexts. The remainder of this guide introduces each of the NAACP Focal Energy Policies and provides discussion on their implementation across the U.S. and how they tie into the broader vision of an **energy democracy and living economy** that emphasizes **energy sovereignty**—the right to make one's own energy choices (Figure 1).



PICTURE 2. SOURCE: GRASSROOTSDC.ORG

A STRATEGY FRAMEWORK FOR JUST TRANSITION

RESIST — RETHINK — RESTRUCTURE

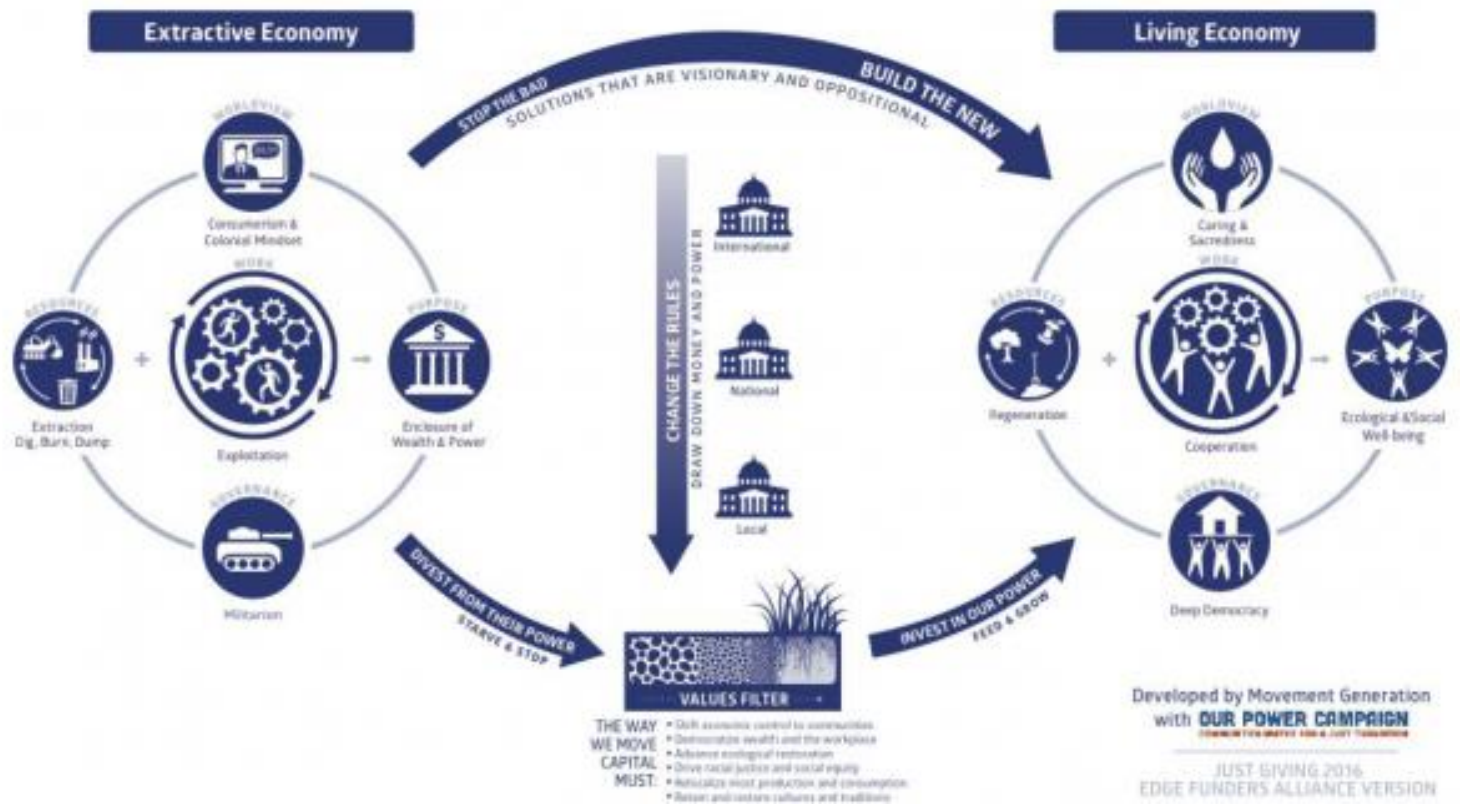


FIGURE 1. JUST TRANSITION STRATEGY FRAMEWORK SOURCE: OUR POWER CAMPAIGN, CLIMATE JUSTICE ALLIANCE

RENEWABLE PORTFOLIO STANDARDS (RPSs)

Utility companies provide power to the electric grid. Traditionally, utilities have burned fossil fuels to supply this power. A Renewable Portfolio Standard (RPS) requires electric utility companies and other retail electric providers to supply a specific minimum amount of power to the electric grid from eligible renewable energy sources instead of burning fossil fuels. A utility can satisfy a RPS by: (1) producing renewable energy itself or (2) purchasing renewable energy certificates (RECs) from another source producing renewable energy. REC's represent the property rights to the environmental, social, and other qualities of renewable electricity generation. As renewable generators produce electricity, they create one REC for every 1000 kilowatt-hours (kWh) of electricity sent to grid.¹ As of 2015, twenty-nine States and two territories have some type of RPS in place.²

NAACP MODEL RPS POLICY STANDARD

*All electric utility companies and other retail electric providers must supply a minimum of 25% of customer load with electricity from eligible **clean** renewable energy sources by the year 2025.*

Clean Energy requirement in the RPS standard: In setting standards for the content of RPS, the NAACP requires that renewable energy sources used to satisfy an RPS mandate must be clean energy sources. The NAACP recognizes that not all renewable energy has been proven safe with minimal impact on the environment and communities. Clean renewable energy 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.

Model clean energy policy standard: Eligible renewable energy sources for purposes of satisfying the renewable portfolio standard shall include only wind, solar, and geothermal. Eleven states meet or exceed the NAACP RPS numeric target, but these states could improve their RPS standards by only permitting clean renewable energy sources to be used to meet their RPS targets. The eleven state examples that meet or exceed the NAACP recommended standard for RPS. These states and their RPSs are detailed in Table 1.

TABLE 1. STATE'S ALIGNED WITH THE NAACP'S MODEL RPS POLICY

State	RPS	Available Sources
California	33% renewable by 2020	Solar Thermal Electric, Photovoltaics, Landfill Gas, Wind, Biomass, Geothermal Electric, Municipal Solid Waste, Energy Storage, Anaerobic Digestion, Small Hydroelectric, Tidal Energy, Wave Energy, Ocean Thermal, Biodiesel, Fuel Cells using Renewable Fuels
Colorado	Investor-owned utilities: 30% by 2020 Electric cooperatives: 20% by 2020, including solar carve-out for rural co-ops Municipal utilities serving more than 40,000 customers: 10% by 2020	Solar Thermal Electric, Photovoltaics, Landfill Gas, Wind, Biomass, Hydroelectric, Geothermal Electric, Recycled Energy, Anaerobic Digestion, Fuel Cells using Renewable Fuels
Connecticut	27% renewable by 2020	Solar Thermal Electric, Photovoltaics, Landfill Gas, Wind, Biomass, Hydroelectric, Fuel Cells, Municipal Solid Waste,

		CHP/Cogeneration, Low E Renewables, Anaerobic Digestion, Tidal Energy, Wave Energy, Ocean Thermal, Fuel Cells using Renewable Fuels
Hawaii	100% renewable by 2045	Solar Water Heat, Solar Space Heat, Solar Thermal Electric, Solar Thermal Process Heat, Photovoltaics, Landfill Gas, Wind, Biomass, Hydroelectric, Geothermal Electric, Geothermal Heat Pumps, Municipal Solid Waste, CHP/Cogeneration, Hydrogen, Seawater AC, Solar AC, Anaerobic Digestion, Tidal Energy, Wave Energy, Ocean Thermal, Ethanol, Methanol, Biodiesel, Fuel Cells using Renewable Fuels
Illinois	25% renewable by 2025-2026	Solar Thermal Electric, Photovoltaics, Landfill Gas, Wind, Biomass, Hydroelectric, Anaerobic Digestion, Biodiesel
Maine	40% renewable by 2017	Solar Thermal Electric, Photovoltaics, Landfill Gas, Wind, Biomass, Hydroelectric, Geothermal Electric, Fuel Cells, Municipal Solid Waste, CHP/Cogeneration, Tidal Energy, Fuel Cells using Renewable Fuels, Other Distributed Generation Technologies
Minnesota	31.5% renewable by 2020 Other IOUs: 26.5% by 2025 Other utilities: 25% by 2025	Solar Thermal Electric, Photovoltaics, Landfill Gas, Wind, Biomass, Hydroelectric, Municipal Solid Waste, Hydrogen, Cofiring, Anaerobic Digestion
Nevada	25% renewable by 2025	Solar Water Heat, Solar Space Heat, Solar Thermal Electric, Solar Thermal Process Heat, Photovoltaics, Landfill Gas, Wind, Biomass, Hydroelectric, Geothermal Electric, Municipal Solid Waste, Waste Tires (using microwave reduction), Energy Recovery Processes, Solar Pool Heating, Anaerobic Digestion, Biodiesel, Geothermal Direct- Use
New York	29% renewable by 2015	Solar Water Heat, Photovoltaics, Landfill Gas, Wind, Biomass, Hydroelectric, Fuel Cells, CHP/Cogeneration, Anaerobic Digestion, Tidal Energy, Wave Energy, Ocean Thermal, Ethanol, Methanol, Biodiesel, Fuel Cells using Renewable Fuels
Oregon	Large utilities: 25% renewable by 2025 Small utilities: 10% renewable by 2025 Smallest utilities: 5% renewable by 2025	Solar Thermal Electric, Photovoltaics, Landfill Gas, Wind, Biomass, Hydroelectric, Geothermal Electric, Municipal Solid Waste, Hydrogen, Anaerobic Digestion, Tidal Energy, Wave Energy, Ocean Thermal
Vermont	75% RPS by 2032	Solar Water Heat, Solar Thermal Electric, Photovoltaics, Landfill Gas, Wind, Biomass, Hydroelectric, Geothermal Electric, Anaerobic Digestion, Fuel Cells using Renewable Fuels

Just as with energy efficiency resource standards, to be an effective advocate for a strong RPS in your state, it is helpful to understand what supporting policies need to be in place to achieve a strong RPS numeric target – i.e. what policies need to be in place to ensure that utilities will get on board and that those who already suffer from disproportionate environmental and economic burdens will not bear an unfair burden in the renewable energy transition.

RPS SUPPORTING POLICIES: NEW YORK STATE

New York provides a great example of a state that has not only enacted a strong RPS, but also adopted, or is working to adopt, supporting policies that will help ensure the RPS target is achieved in practice without unfairly burdening people of color and low income individuals. Although New York could do better in terms of the content of its RPS – revising what counts as renewable energy to include only clean energy sources (solar, wind, geothermal) - New York has done a lot right. The remainder of this section details

key supporting policies that your unit should consider advocating for as part of an RPS campaign. Energy policies accompanying the RPSs include:

1. Decoupling;
2. Performance-Based Rates;
3. Market Rules; and
4. Affordability Policies

DECOUPLING

Policies that create decoupling schemes allow customers to pay for electricity like they pay for their cable bill: a pre-determined monthly rate every month, even if they never turn on the television. If overall revenues fall below a utility's fixed costs, the rate is adjusted accordingly for all customers—some states are

establishing rate caps to protect consumers. The overall result of decoupling policies is that a utility revenue is no longer tied directly to the amount of energy a utility sells.³ Decoupling policies removes the incentive for utilities to fight energy efficiency and distributed renewable energy generation because, under once a utility is decoupled, reducing the amount of power it sells will no longer reduce its profits.⁴ Figure 2 shows where decoupling policies have been instituted in the U.S. alongside other energy efficiency measures.

DEFINITIONS: COUPLING AND DECOUPLING

Coupling: The linking of utilities' profits to the amount of power that they sell, where any reduction in customer energy consumption directly reduces the utilities' profitability. Coupling utilities' profits to the amount of power sold, creates a disincentive for utilities to encourage energy efficiency and distributed renewable energy because by decreasing energy usage, utilities are decreasing their profits.

Decoupling: Unlinking utilities' profits from the amount of power that it sells. Decoupling unlinks utilities' profits from the amount of power that they sell and, instead, links utility profits to the number of customers served.

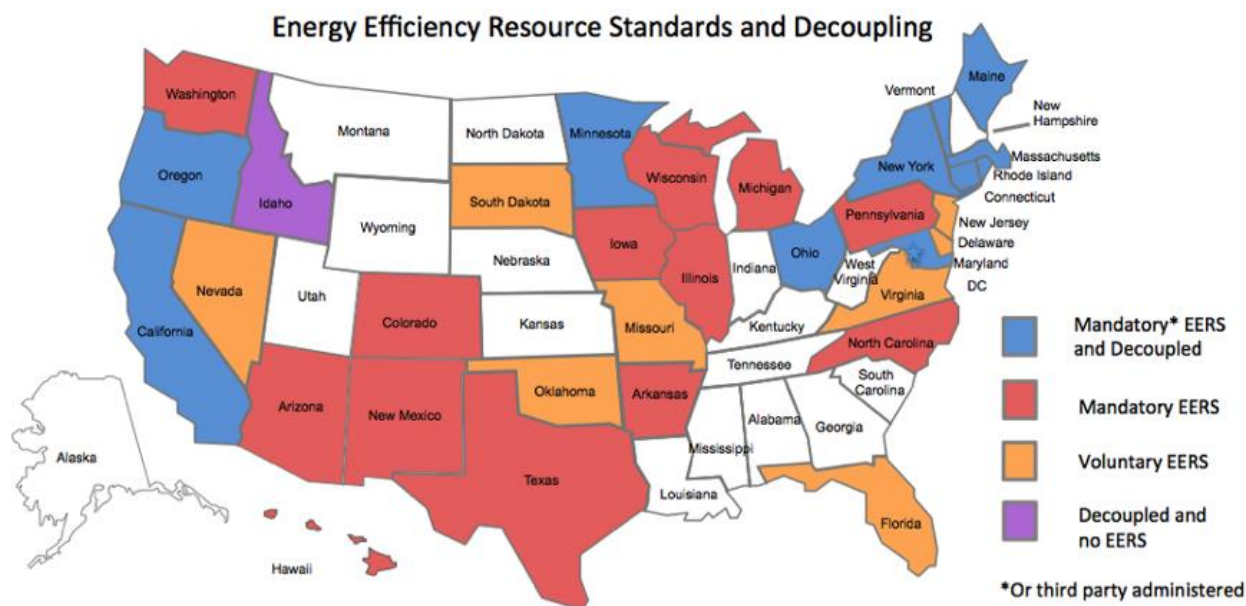


FIGURE 2. DECOUPLING POLICIES IN THE U.S.

SOURCE: [FRESH ENERGY](#)

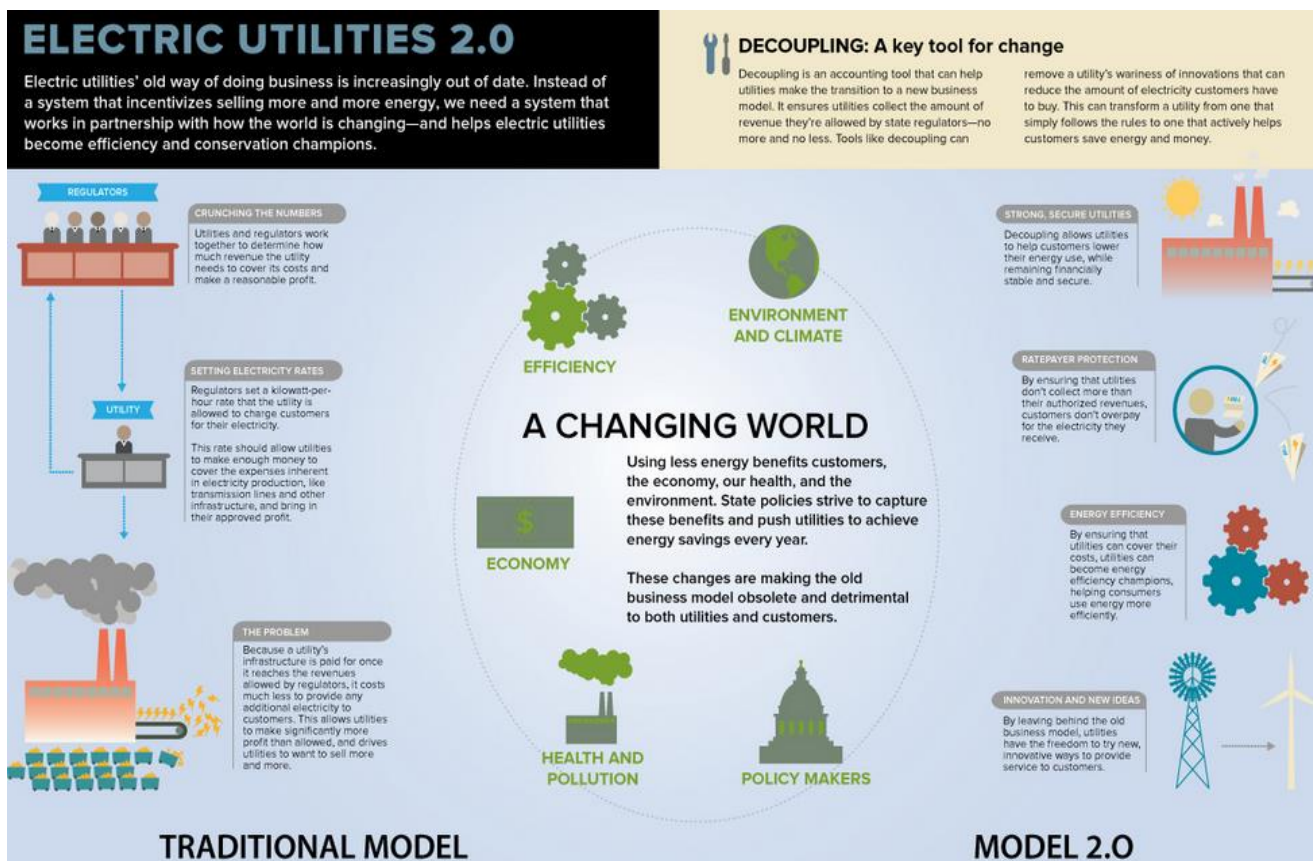


FIGURE 3. HOW DECOUPLING WORKS AND CREATES CHANGE
SOURCE: [FRESH ENERGY](#)

Decoupling can be an effective tool to create change, as detailed in Figure 3 above, however, these policies alone are not enough. Alone, decoupling mechanisms only remove the disincentive for utilities to support energy efficiency and solar energy. The most effective state energy models that promote energy efficiency and renewable energy policies link decoupling policies with performance based rate policies that tie utilities profits to their success in improving performance, reliability, and service.⁵ This link is also seen in NY.

PERFORMANCE BASED RATES

Even after enacting decoupling policies, utilities do not have an affirmative incentive to encourage energy efficiency and still have a perverse incentive to make money by building expensive and unnecessary infrastructure (e.g. new power plants, transmission lines, etc.). Performance-based rates remove this incentive to profiteer—traditionally the cost of big infrastructure projects is recovered through increases to customers' utility bills—even if demand could be better met with efficiency and renewables.⁶ Under performance-based rate schemes, a utility's revenue is based on how efficiently and effectively it distributes power.⁷

Performance-based rates discourage utilities from building new expensive and inefficient infrastructure and encourage utilities to embrace and increase energy efficiency and distributed renewable energy.

With performance-based rates, utilities increase their profits by increasing energy efficiency and renewable energy generation.

DISCUSSION: ENERGY UTILITY RESTRUCTURING (FIGURE 4)

Because utilities can be key stakeholders in energy efficiency, RPS or distributed generation campaigns, before beginning to do work on one of these campaigns, it is helpful to determine what type of utilities you have in your state. Utilities can be owned by municipalities, cooperatives, or investors.

Municipal and cooperative utilities generally own generation, transmission, and distribution assets. However, only some investor owned utilities (IOUs) own power plants, transmission, and distribution. When utilities own power plants, transmission and distribution they are called “vertically integrated” utilities. Other IOUs, in restructured (also known as deregulated) states, have sold off the generation and transmission parts of their business. There can be a mix of both restructured/ deregulated and regulated/ vertically integrated utilities within a state.

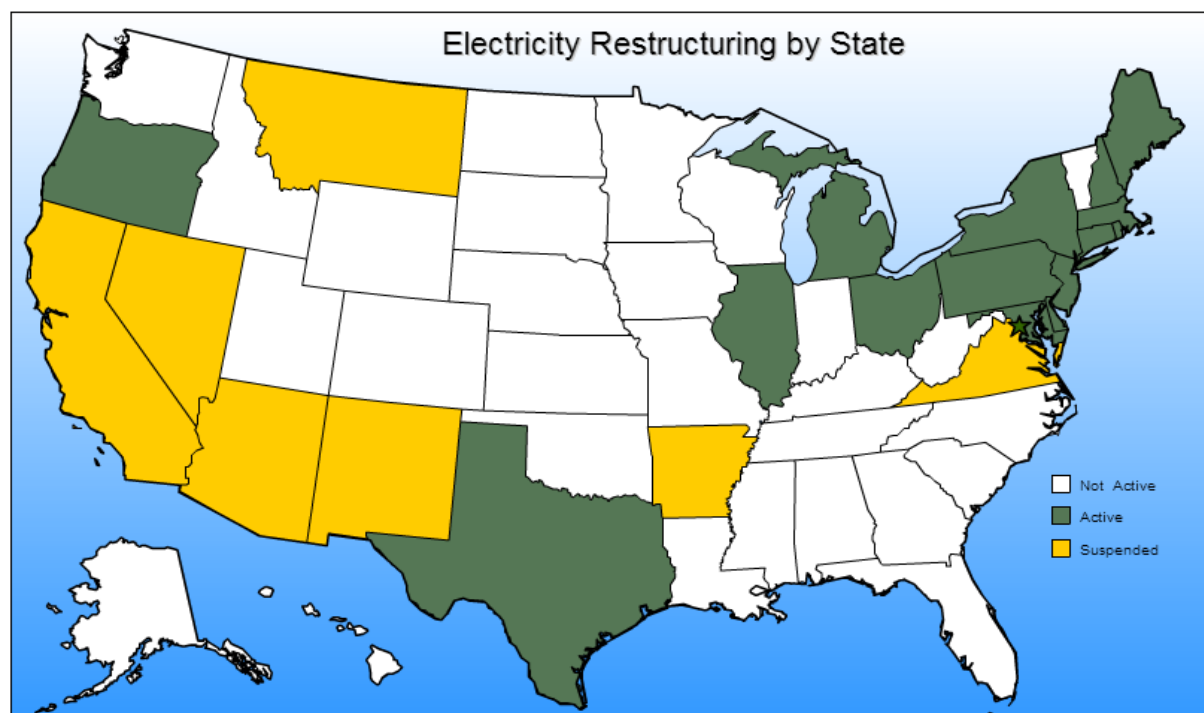


FIGURE 4. ELECTRICITY RESTRUCTURING BY STATE

SOURCE: [UNITED STATES ENERGY INFORMATION ADMINISTRATION](#)

MARKET RULES

Even after adopting decoupling and performance based rate policies, it is still possible for utilities to drive up prices by buying renewable energy systems, setting up their own distributed generation sites, and pushing smaller distributed generation businesses out of the market. This practice limits consumer options, increases renewable energy prices, and stifles innovation,⁸ however, it can be counteracted with proper policy planning and restrictions on utilities. Market rules preventing utilities from owning local power generation are key.



PICTURE 3. SOURCE: UTAH SOLAR WORKS

As seen in NY, by restricting utilities from owning local power generation and other energy resources, customers will benefit from a more competitive market, with utilities working and partnering with other companies and service providers.⁹ These regulations also serve to encourage and create pathways for community ownership of energy resources.

AFFORDABILITY POLICIES

Those who profit from continued use of fossil fuels argue that transitioning to renewable energy and encouraging distributed generation of renewable energy will cause a disproportionate economic hardship for people of color and low income individuals. This is false for two main reasons: RPS have positive economic benefits for states and local communities, and policies can be put in place to ensure the affordability of energy generated under RPSs.

According to the Union of Concerned Scientists, evidence shows that RPS have positive economic benefits for customers, especially low-income customers.¹⁰ The organization's analysis of the economic benefits of a 25 percent renewable electricity standard found that such a policy would lead to 4.1 percent lower natural gas prices and 7.6 percent lower electricity prices by 2030.¹¹ States with RPS policies achieved more than 95 percent compliance with renewable energy requirements through 2010, with little to no impact on electricity rates in almost every state. Data recently reported by utilities and state agencies that implement state RPS standards shows the inherent cost-effectiveness of the policies:¹²

- In Michigan, a 2013 Public Service Commission (PSC) report found that: the state's utilities are on track to meet the ten percent standard at lower costs than anticipated; the costs of all large-scale renewable energy projects are lower than the cost of new coal plants of similar size; and renewable energy contracts continue to show a downward pricing trend.¹³
- In Minnesota, renewable energy investments lowered electricity prices for customers of Xcel Energy—the state's largest utility—by 0.7 percent from 2008 to 2009. Xcel also estimated that meeting the RES through 2025 would increase costs by just 1.4 percent.
- In Oregon, renewable energy investments spurred by the RES in 2011 lowered total annual costs for PacifiCorp by \$6.6 million, and increased total costs for Portland General Electric by just \$630,000 (or 0.04 percent).

- In North Carolina, Duke Energy’s residential customers paid 21 cents per month in 2012 to support the state’s RES, a six cent decrease from 2010, while Progress Energy’s residential customers paid 41 cents per month in 2013, a fourteen cent decrease from 2011.
- In Rhode Island, compliance with the state’s RES cost the average household 62 cents per month in 2010 and less than 50 cents per month for each of the three previous years.

Because many of these states were still in the early stages of compliance, cost impacts may have changed over time as RES requirements increase. Other factors, such as declining costs of renewable energy technologies, changes in fossil fuel prices, and the presence of federal incentives, could also affect the future impact of RES compliance on utilities and consumers.¹⁴

Increasing renewable energy also helps stabilize electricity rates, provide long-term savings, and economic development. Once a wind or solar facility is installed, the fuel is free. Fossil fuels, on the other hand, are subject to potentially volatile prices that can lead to significant fluctuations in electricity rates. In states across the country, RPS policies are also supporting growing renewable energy industries that provide jobs and bring investments, tax revenues, and other economic benefits to local communities. One key sector that has been effected is manufacturing, which has experience growth due to the increased demand of renewable energy technologies. This is driven in part by the demand created from state RPSs.¹⁵

While evidence suggests that enacting an RPS and encouraging a transition to renewables will not exacerbate or impose a new disproportionate economic burden on people of color and low income individuals, as a part of a just transition to energy efficiency and renewable energy, steps may need to be taken, by states, to alleviate existing disproportionate energy burdens. In the case of New York, the unaffordability of customers’ electric bills is a historic problem that the state is addressing as it to transitions to more efficient and renewable energy.

In 2015, electric utility rates for residential customers in NY were roughly 59 percent higher than the national average. The result of these unaffordable electric rates was an increase in customer arrears—those who were more than sixty days in arrears owed the utilities approximately \$800 million.¹⁶ In 2014, New York State’s energy utilities jointly issued 7.2 million service disconnection notices and shut off service to approximately 300,000 customers as a bill collection measure.¹⁷

The 2015 New York State Energy Plan followed adopted low-income rates to improve the affordability of energy utility rates. It also set statewide inclusion minimum of low-income customers in newly

DISCUSSION: CALIFORNIA’S ELECTRICITY AFFORDABILITY POLICIES

The California Alternative Rates for Energy (CARE) program substantially reduces bills for lower income customers with funding from California’s *Public Goods Charge*, which also supports energy efficiency and renewable energy programs. California provides a statewide 20% CARE rate reduction for low-income customers and at times exempts CARE customers from certain charges, and has an explicit goal to enroll all eligible customers.

California also has a Family Electric Rate Assistance Program (FERA), which provide lesser reductions for customers with incomes slightly above CARE program limits. The California legislature also created a Low-Income Oversight Board to oversee affordability of service and monitor regulatory actions affecting low-income customers. These regulations and programs represent supporting energy policies that advance the path to an equitable energy democracy.

constructed distributed generation projects and reduced rates for these customers by 25 to 35 percent.¹⁸ Such additional regulations that ensure the affordability of renewable energy development have been important in furthering the social and equity components of the green energy economy. Without the supporting policies, like those for affordability, RPSs are incomplete.

CONCLUSION

Energy efficiency is not enough. A transition to renewable energy is necessary to protect people and the environment. States must not only commit to strong numeric RPS targets, but also implement supporting policies that will break down the barriers to achieving an RPS and properly align utilities' incentives with those of the general population. Without putting into place strong supporting policies, achieving RPS targets will likely be much more difficult if not impossible. By starting with a review of the solar, wind and geothermal clean energy potential laid out in [your state's Just Energy Policies Report](#) and then familiarizing yourself with the RPS supporting policies, you can effectively advocate for achieving a minimum 25% RPS in your state.

ENERGY EFFICIENCY RESOURCE STANDARDS

Energy Efficiency Resource Standards (EERS) establish a requirement for utility companies or state agencies to meet annual and/or cumulative energy savings targets through a portfolio of energy efficiency programs. Energy efficiency programs are also known as demand side management programs. Energy efficiency/ demand side management programs reduce customer electricity use through activities or programs that promote electric energy efficiency or conservation, or more efficient management of electric energy loads. Given our current dependence on harmful energy production practices, we should reduce our demand for energy to the greatest extent possible. The long-term goals associated with an EERS establish the importance of energy efficiency in utility program planning for market actors. EERSs create a level of certainty that encourages large-scale, productive investment in energy efficiency technology and services.¹⁹

States with EERS (as of April 2015)



FIGURE 5. SOURCE: AMERICAN COUNCIL FOR AND ENERGY EFFICIENT ECONOMY

NAACP MODEL EERS POLICY STANDARD

Through the year 2025, all utility companies must attain 2% cumulative annual energy savings. Annual energy savings shall be measured as a percentage of a utility's retail energy sales in the Prior Calendar Year.

Examples of energy efficiency/demand side management programs that could be used to achieve the NAACP model policy standard include:

- Promoting high efficiency building practices;
- Promoting the purchase of energy efficient devices;

- Encouraging the transition from incandescent to more efficient lighting technologies;
- Encouraging customers to shift non-critical usage of electricity to off-peak hours;
- Remote utility control of customer appliances; and
- Promoting energy awareness and education.

The below description of actual state energy efficiency policies will flesh out some of these program options, and many more, in greater detail.

MODEL STATES

The below states are highlighted in the NAACP Just Energy Policies Report. These states have EERS comparable to or exceeding the NAACP recommended standard of a 2% annual reduction of the previous year's retail electricity sales:



PICTURE 4. SOURCE: SUSTAINABLE COMMUNITY DEVELOPMENT GROUP

TABLE 2. NAACP MODEL STATES' EERS

STATE	ENERGY EFFICIENCY STANDARD
Arizona	All investor-owned utilities must achieve 1.25% annual electricity savings starting in 2011, ramping up to 2% beginning in 2013. result in 22% cumulative savings by 2020.
Hawaii	4,300 GWh reduction in electricity use by 2030 (net reduction of 30% of projected 2030 sales, approximate annual reduction rate of 1.4%)
Illinois	0.2% of electricity sales per year in 2008 and increases in steps up to 2.0% of sales per year by 2015
Indiana	0.3% GWh reduction of 2009 energy sales for 2010. Annual requirements increase to 2.0% reduction of prior year's energy sales by 2019. After obtaining 2.0% reduction by the year 2019, the electricity sales reduction percentage holds at 2.0% for every year thereafter.
Massachusetts	Annual electricity savings: 1.4% in 2010, 2% in 2011 2.4% in 2012, and 2.6% in 2015
New York	15% reduction relative to projected electricity use in 2015 (annual reduction rate of 1.88%); gas savings of 14.7% annually by 2020 (annual reduction rate of 1.12%)
Vermont	320,000 MWh electricity savings (2.3% annual reduction) within a 2-year goal from 2015-2017

The American Council for an Energy Efficient Economy (ACEEE) also provides a list of top energy efficiency states in its State Scorecard. Table 3 lists states receiving the highest ratings for their energy efficiency resource standards.²⁰ The Scorecard and report also ranks states based on their policy and program efforts, including performance, documentation of best practices, and leadership.

RESOURCES: AMERICAN COUNCIL FOR AN ENERGY EFFICIENT ECONOMY STATE SCORECARDS ([LINK TO 2016 REPORT](#))

To be an effective advocate for an energy efficiency resource standard in your state, it can be helpful to know and be able to discuss what energy efficiency targets other states have set and how they have or are planning to achieve those targets. The ACEEE State Scorecard and accompanying report can help provide you with this information. The ACEEE "State Scorecard provides an annual benchmark of the progress of state energy efficiency policies and programs. It encourages states to continue strengthening their efficiency commitments to promote economic growth, secure environmental benefits, and increase their communities' resilience in the face of the uncertain cost and supply of the energy resources on which they depend." Table 3 summarizes the results of the 2016 report. See where your state lies and where other states in your region are.

TABLE 3. AMERICAN COUNCIL FOR AN ENERGY EFFICIENT ECONOMY (ACEEE) LIST OF TOP ENERGY EFFICIENCY STATES

Rank	State	Utility & public benefits programs & policies (20 pts.)	Transportation policies (10 pts.)	Building energy codes (7 pts.)	Combined heat & power (4 pts.)	State government initiatives (7 pts.)	Appliance efficiency standards (2 pts.)	TOTAL SCORE (50 pts.)	Change in rank from 2015	Change in score from 2015
1	California	15	10	7	4	7	2	45	1	1.5
1	Massachusetts	19.5	8.5	7	4	6	0	45	0	1
3	Vermont	19	7	7	2	5	0	40	0	0.5
4	Rhode Island	20	6	5	3.5	5	0	39.5	0	3
5	Connecticut	14.5	6.5	5.5	2.5	6	0.5	35.5	1	0
5	New York	10.5	8.5	7	3.5	6	0	35.5	4	3
7	Oregon	11.5	8	6.5	2.5	5.5	1	35	-3	-1.5
8	Washington	10.5	8	7	2.5	6.5	0	34.5	0	1
9	Maryland	9.5	6.5	6.5	4	5.5	0	32	-2	-3
10	Minnesota	12.5	4	6	2.5	6	0	31	0	0
11	Maine	10.5	5.5	3	3	5	0	27	3	3.5
11	Michigan	10.5	4	6.5	1.5	4.5	0	27	3	3.5
13	Illinois	8.5	5	7	2	4	0	26.5	-3	-4.5
14	Colorado	7.5	4.5	5	1	6	0.5	24.5	-2	0
15	District of Columbia	5.5	7.5	6	1	4	0	24	-1	0.5
15	Hawaii	11.5	4.5	4	1	3	0	24	4	2.5
15	Iowa	10	3	6	1.5	3.5	0	24	-3	-0.5
18	Arizona	10.5	3	3	1.5	3	0	21	-1	-1
19	Pennsylvania	3.5	5	4.5	2.5	5	0	20.5	-2	-1.5
20	Utah	7	2	5.5	1	4.5	0	20	3	3
21	New Hampshire	9.5	1.5	4	1	3.5	0	19.5	-1	0
22	Delaware	1	6.5	5.5	1.5	4.5	0	19	2	2.5
22	Wisconsin	8	1.5	4	1.5	4	0	19	0	1
24	New Jersey	4	6	4	1.5	2	0	17.5	-3	-1.5
25	Florida	1	5	5.5	1	3.5	0	16	2	0.5
25	Tennessee	1	5	3	1	6	0	16	6	3
27	Arkansas	7	1	4	0	3.5	0	15.5	4	2.5
27	Texas	0	2.5	7	1.5	4.5	0	15.5	-1	-0.5
29	Ohio	6.5	0	3	1.5	4	0	15	-2	-0.5
30	Kentucky	3	1	5	0.5	5	0	14.5	-1	0.5
30	North Carolina	2	3.5	4	1	4	0	14.5	-6	-2
32	Missouri	2	2.5	3	1	5	0	13.5	12	5
33	Idaho	3.5	1	5	0.5	3	0	13	-4	-1
33	Virginia	-0.5	4.5	4	0	5	0	13	-2	0
35	Georgia	1.5	4.5	3.5	0.5	2.5	0	12.5	2	0
35	New Mexico	4	0.5	3.5	1.5	3	0	12.5	-4	-0.5
37	Montana	2	0.5	5	1	3.5	0	12	-6	-1
37	Nevada	3	0.5	4	0.5	4	0	12	-6	-1
39	Alabama	2	0	6	0	3	0	11	2	1.5
40	South Carolina	1	3	3	0	3.5	0	10.5	0	0.5
41	Alaska	0	2	2	1	5	0	10	1	1
42	Indiana	4	1.5	2	0.5	1.5	0	9.5	-4	-1.5
42	Nebraska	1.5	0.5	5	0	2.5	0	9.5	0	0.5
44	Oklahoma	3.5	1	2	0	1.5	0	8	-6	-3
44	West Virginia	-0.5	3	4.5	0.5	0.5	0	8	1	0
46	Mississippi	1	1	1.5	0.5	3	0	7	1	-0.5
47	Louisiana	0.5	1.5	2.5	0.5	1.5	0	6.5	1	0.5
48	Kansas	0	1	1.5	0.5	3	0	6	-3	-2
49	South Dakota	2.5	0.5	0.5	0.5	1	0	5	-1	-1
50	Wyoming	0.5	1	1	0	2	0	4.5	0	-1
51	North Dakota	0	1	1	0.5	0.5	0	3	0	-1

ACEEE 2016 State Scorecard Rankings

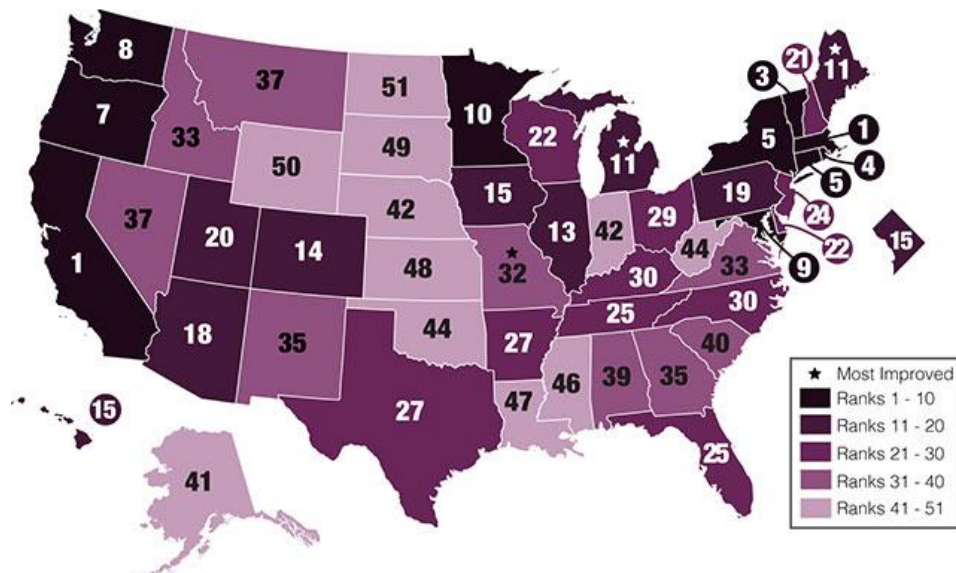


FIGURE 6. SOURCE: [AMERICAN COUNCIL FOR AN ENERGY EFFICIENT ECONOMY](#)

As seen in Table 3, the ACEEE breaks down state energy efficiency scores into six categories: utility and public benefits programs & policies, transportation policies, building energy codes, combined heat and power, state government initiatives, and appliance efficiency standards. States are currently working to achieve their energy efficiency resource standards by implementing diverse programs in these categories. Table 3 also shows how states did in each of the ACEEE's energy efficiency categories.

These tables and chart can be used as guidance on where you should look for examples of certain types of energy efficiency policies. For example, if you were interested in appliance efficiency policies that your state could implement to help achieve its energy efficiency resource standard, you would do research on California's policies, given California received the highest score for energy efficiency programming in the appliance efficiency category.

In addition to ranking each of the states, the ACEE, in its State Scorecard, highlights best practices in each of the energy efficiency categories. Some of these best practices are listed below. Units should read through the below listed policies and consider which of them they may interested in advocating as a part of an energy efficiency campaign. The below descriptions are cursory. If your unit is interested in learning more about a policy, contact the state agency responsible for the program to ask where you can find a helpful fact sheet or overview of the law as well as any available data about the success of the law in saving energy.

TABLE 4. ACCEE 2016 SCORECARD TOP 10 STATES AND FREQUENCY IN THE TOP 10
 SOURCE: AMERICAN COUNCIL FOR AN ENERGY EFFICIENT ECONOMY

State	Years in top 5	Years in top 10
California	10	10
Massachusetts	9	10
Oregon	9	10
Vermont	8	10
New York	7	10
Connecticut	5	10
Rhode Island	4	9
Washington	1	10
Minnesota	0	9
Maryland	0	6
Illinois	0	2
Maine	0	2
New Jersey	0	2
Wisconsin	0	1

UTILITY & PUBLIC BENEFITS PROGRAMS/ POLICIES²¹

The utility sector is critical to the implementation of energy efficiency throughout the economy. Utilities' approaches to delivering energy efficiency may include;

1. Financial incentives such as rebates and loans;
2. Technical services such as audits, retrofits, and training for architects, engineers, and building owners; and
3. Educational campaigns about the benefits of energy efficiency improvements.

Below are some examples of utility energy efficiency programs from several states.

MASSACHUSETTS

- Passed the Green Communities Act, which established energy efficiency as the “first priority” energy resource.
- Created an Energy Efficiency Advisory Council to collaborate with utilities on developing statewide efficiency plans in three-year cycles.

VERMONT

- Established the third-party administration model of implementing energy efficiency programs.¹
- Efficiency Vermont, the state’s “energy efficiency utility,” runs energy efficiency programs for a wide range of customers and leads the nation in producing consistent energy savings.
- Vermont Public Service Board has a strong commitment to funding energy efficiency programs and has put into place policies, including an EERS and performance incentives², to encourage successful utility engagement in energy efficiency.



PICTURE 5. SOURCE: CRITICAL ELECTRIC SYSTEMS GROUP

RHODE ISLAND

- Leads the nation in the amount of utility revenues invested in energy efficiency.
- Requires utilities to invest in all cost-effective energy efficiency.
- Requires utilities to have energy efficiency plans that are overseen by a stakeholder board with representatives from government agencies, environmental groups, businesses, and consumer advocates.

¹ The third-party model has been replicated in: Maine, New Jersey, Delaware, Oregon, and the District of Columbia.

² Performance incentives are financial incentives that reward utilities for reaching energy efficient goals. More than half of the states have performance incentives in place for electric utilities.

<http://aceee.org/sites/default/files/publications/researchreports/u1408.pdf>

BUILDING ENERGY CODE EERS POLICIES²²

Buildings consume 74 percent of electricity and 41 percent of total energy used in the United States and account for 40 percent of U.S. carbon dioxide emissions, making buildings an essential target for energy savings. Because buildings have long lifetimes and are not easily retrofitted, it is crucial to encourage building efficiency measures during construction.

Mandatory building energy codes are one way to target energy efficiency by legally requiring a minimum level of energy efficiency for new residential and commercial buildings. Eleven states have officially adopted the latest standards for both residential and commercial buildings: California, Delaware, Florida, Illinois, Iowa, Maryland, Massachusetts, Montana, Nevada, Rhode Island, and Washington. The U.S. Department of energy determines the base codes for which states are required to comply. While no enforcement mechanism is in place to address noncompliance, within two years of the final determination states are required to send letters certifying their compliance, requesting an extension, or explaining their decision not to comply. Some recommended actions to ensure building energy efficiency through building codes include:

- Work with experts to develop and implement a study to determine actual rates of energy code compliance;
- Adopt a policy that engages utilities in supporting building code compliance; and
- Adopt a policy and fund training programs and outreach on code compliance for contractors and code officials.

NAACP Units may consider these as recommendations for state agencies and utilities as a part of their Just Energy Policy Campaigns.

EXAMPLES OF STATE POLICIES RELATED TO BUILDING ENERGY-USE DISCLOSURE

Building energy-use disclosure policies require commercial and residential building owners to disclose building energy assessments (e.g. energy consumption data or energy asset ratings) to prospective buyers, lessees, or lenders.²³ Knowing this information about a property can be useful in understanding future energy bills for homeowners and renters.

KANSAS

- Requires the disclosure of energy efficiency information for new homes.

DISCUSSION: FEDERAL BUILDING CODE POLICY - THE AMERICAN RECOVERY REINVESTMENT ACT (ARRA) OF 2009

The impact of ARRA on building code adoption has shown that federal policy can catalyze tremendous progress at the state level. ARRA called for each of the 50 states accepting ARRA funding for code implementation and compliance measurement to achieve compliance in 90% of its building stock with the ARRA minimum standard building energy code by 2017.

- Developed a standard reporting format for builders and sellers of new homes in which the home's features are compared to the state's energy code guidelines.
- At time of house showing, sellers must make an energy efficiency checklist available to buyers or potential buyers.

DISTRICT OF COLUMBIA

- Commercial and multifamily buildings over 50,000 square feet report energy efficiency benchmarking³ data to the District on a yearly basis.
- EPA's ENERGY STAR Portfolio Manager is used as standard for a building's energy performance, including total energy use, energy intensity, and carbon emissions. In the District, 266 buildings, representing 90 million square feet, have taken the next step and been certified with the ENERGY STAR label.



PICTURE 6. SOURCE: GRID ALTERNATIVES, SOLAR COST GUIDE

EXAMPLES OF GOVERNMENT ENERGY EFFICIENCY INITIATIVES

States have taken initiative in developing energy efficiency within government building stock by deploying energy savings targets⁴ in new and existing state buildings, establishing benchmarking requirements for public facilities, developing energy savings performance contracting activities, and developing research and development programs dedicated to energy efficiency.²⁴ Some examples of state energy efficiency research and development programs are provided below.

COLORADO

- State universities have dedicated research centers and facilities to the development of energy efficiency and clean energy technologies.
- The Center for Renewable Energy Economic Development works to promote new clean tech companies throughout the state.

NEW YORK

- The New York State Energy Research and Development Authority (NYSERDA) is an outstanding model of an effective and influential research and development institution. NYSERDA's research

³ A benchmarking policy refers to a requirement that all buildings undergo an energy audit or have their energy performance tracked using a recognized tool such as the EPA Portfolio Manager. An EPA benchmarking starter kit is available here:

<http://www.energystar.gov/buildings/facility-owners-and-managers/existing-buildings/use-portfolio-manager/get-started-benchmarking>

⁴ Energy savings targets commit state government facilities to a specific energy reduction goal over a distinct period.

<http://aceee.org/sites/default/files/publications/researchreports/u1408.pdf>

and development activities fall under seven program areas: energy resources, transportation and power systems, energy and environmental markets, industry, buildings, transmission and distribution, and environmental research.

OREGON

- The Oregon Built Environment and Sustainable Technologies Center promotes cutting-edge technology related to energy efficiency and green buildings.
- The Energy Trust of Oregon provides funding for the testing of emerging technologies related to utilities.
- The Oregon Transportation Research and Education Consortium supports energy efficiency innovation in the areas of land use and transportation.

FLORIDA

- The Florida Institute for Sustainable Energy performs research on efficient construction and lighting.
- The Florida Solar Energy Center focuses on energy efficient buildings, schools, and standards.
- The Florida Energy Systems Consortium brings universities together to share their energy-related expertise.

EXAMPLES OF STATE POLICIES THAT ENABLE LOCAL ENERGY EFFICIENCY

Local efforts to increase efficiency in communities can be supported through effective collaboration between state and local governments. By working with local governments and stakeholders, state governments can make a particularly strong impact on land use and transportation, residential and commercial buildings, schools, and local government buildings and facilities through technical assistance, financial assistance, and legislative or regulatory mandates.²⁵

Technical assistance: Resources, including guidebooks, online resources, and state staff, dedicated to assisting local government with increasing efficiency in municipal buildings and schools

Financial assistance: Incentives aimed at local governments to increase the efficiency of public facilities

Legislative or regulatory requirements: Requirements promulgated by the state requiring municipal fleets or buildings to achieve specific energy reductions²⁶

MARYLAND

- The Maryland Smart Energy Communities program incentivizes local governments to adopt policies related to the energy efficiency of their buildings and fleets.

COLORADO

- Colorado's school efficiency bill (SB 13-279) requires new or schools undergoing redesign that are receiving state funds to meet the highest practicable efficiency standards. The schools must use 33% less energy and 32% less water than their conventional counterparts.

CONNECTICUT

- Connecticut extended its Small Business Energy Advantage program to state agencies and municipalities. Agencies and municipalities that install energy efficiency measures in their buildings can now pay for these investments over time as part of their utility bills, removing the significant barrier of upfront costs.

MINNESOTA

- Under its Guaranteed Energy Savings Program (GESp) or the Public Buildings Enhanced Energy Efficiency Program (PBEEEP), the Energy Savings Partnership (ESP) program allows local units of government and school districts throughout to use lease purchase agreement (LPA) financing to invest in energy efficiency projects. Local governments and school districts use their energy and operational savings to make payments under their LPA agreements- implementing energy efficiency on a budget-neutral basis.

PUERTO RICO

- Puerto Rico's energy efficiency mandate requires municipalities to reduce their electrical energy consumption annually for three years.

NEBRASKA

- Nebraska will provide public school districts with 1% energy efficiency loans of up to \$750,000 provided schools benchmark their energy efficiency during the term of the loan.

APPLIANCE AND EQUIPMENT EERS POLICIES

Every day in our homes, offices, and public buildings, we use appliances and equipment that are less energy efficient than other available models. While the energy consumption and cost for a single device may seem small, the extra energy consumed by less-efficient products collectively adds up to a significant amount of wasted energy. States have enacted laws mandating minimum energy efficiency standards for appliances and equipment and developed major financial incentive programs that encourage the purchase of energy-efficient products.

APPLIANCE AND EQUIPMENT STANDARDS

OREGON

- Oregon has introduced legislation covering energy efficiency for 7 energy intensive appliances and equipment pieces including, *inter alia*: hot tubs, televisions, battery chargers, televisions, double-ended quartz halogen lamps, and certain consumer electronics.

CALIFORNIA

- California has adopted energy efficiency standards on more than 50 products in 21 categories, and many have subsequently become federal standards. California has adopted standards for 10 products that are not covered by federal standards.

FINANCIAL INCENTIVES

CONNECTICUT

- Connecticut's green bank, the Clean Energy Finance and Investment Authority (CEFIA) offers Smart-E Loans and Connecticut Property Assessed Clean Energy (C-PACE) financing.

ALASKA

- Alaska's Home Energy Rebate Program provides rebates of up to \$10,000 based on improved efficiency to eligible receipts. Energy ratings are required before and after the home improvements. The program also provides expert advice and tracks savings.

TENNESSEE

- Tennessee partnered with Pathway Lending to provide low-interest energy efficiency loans to businesses.
- Offers energy efficiency grants to state government agencies, businesses, and utility districts
- Provides tax credits for the manufacture of energy-efficient technologies.

CONCLUSION

There is no single correct path to energy efficiency. With each state acting as its own laboratory- testing out different energy efficiency initiatives – there is a growing number of examples of creative energy initiatives that units can choose from and work to implement in their states. Start with the NAACP model EERS policy target and solicit input from your community and other relevant stakeholders to see what types of policies your state or municipality wants to experiment with to achieving the target.

NET METERING, DISTRIBUTED GENERATION, AND COMMUNITY SHARED RENEWABLE ENERGY

Distributed generation (DG) refers to electricity that is produced at or near the point where it is used.²⁷ Community shared renewable energy is one type of distributed generation and net metering is an important distributed generation enabling policy. Net metering makes community solar and other forms of distributed generation possible by providing additional economic benefits to people that are generating their own power. In addition to increasing energy efficiency and RPS, increasing energy autonomy and democracy by providing individuals and communities with the opportunity to generate their own power is important. Community solar gardens and net metering are key to achieving energy autonomy and democracy.

DEFINITIONS: NET METERING, DISTRIBUTED GENERATION, AND COMMUNITY SHARED RENEWABLE ENERGY

Net Metering: a system in which renewable energy generators are connected to a public-utility power grid and surplus power is transferred back to the grid, allowing customers to offset the cost of power consumed from utility sources.

Distributed Generation: energy generation at or near the point of consumption.

Community Shared Renewable Energy: arrangements that allow several energy customers to share the benefits of one local renewable energy power plant. The energy generation system is financed by multiple members of a community (i.e. private individuals, businesses, and/or organizations) and provides power and/or financial benefits to investors and members.

NAACP MODEL NET METERING POLICY STANDARD

All electric utility companies shall provide retail credit for net renewable energy produced by a consumer so long as the consumer's power generating system has a capacity of 2,000 kW or less.

Net metering is another important distributed generation policy that encourages energy autonomy and democracy. Net Metering Standards require electric utility companies to credit customers for net renewable energy that they produce. With a net metering policy in place, if a consumer generates more electricity from their solar panels or wind turbines than they use, they can sell it back to the utility and receive credit. Net metering policies make it cost effective for many people to generate their own electricity. Without the guarantee that they would receive compensation for the excess power that they contribute back to the grid, many people could not afford or would be less willing to produce their own power. To incentivize people to generate their own renewable energy, it is important to provide the opportunity for revenue generation for the excess electricity that they produce.

Most states have authorized net metering. States with net metering policies have enacted several supporting policies approaches to net metering supporting policies - capacity limits, net metering credit retention and renewable energy credit (REC) ownership vary.²⁸ As with EERS, RPS, and solar garden, these

supporting policies are important parts of ensuring that net-metering provides the maximum intended benefit to consumers.

SUPPORTING POLICY #1: CAPACITY LIMITS

Capacity limits on net metering regulate the system size of generation installations in a variety of aspects.²⁹ These limits vary by state. The NAACP recommends that state net metering policies have a capacity limit that is not less than 2,000 kW. This means that if a customer's renewable energy system does not have a capacity above 2,000 kW, the utility is required to credit the customer for any net electricity that the customer generates and contributes back to the grid. State capacity limits are either based on system Kilowatt capacity or percentage of total system generation.³⁰ As of 2015, Arizona, New Jersey and Ohio are the only states to have authorized net metering with no capacity limit.³¹ While nearly half of states with net metering policies authorize net metering for systems up to one MW in capacity.³²

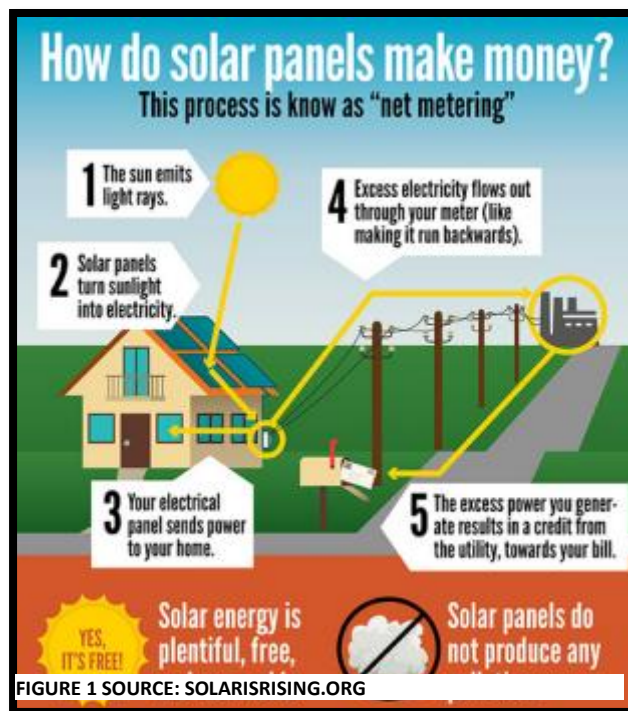


FIGURE 7. SOURCE: SURYADAY

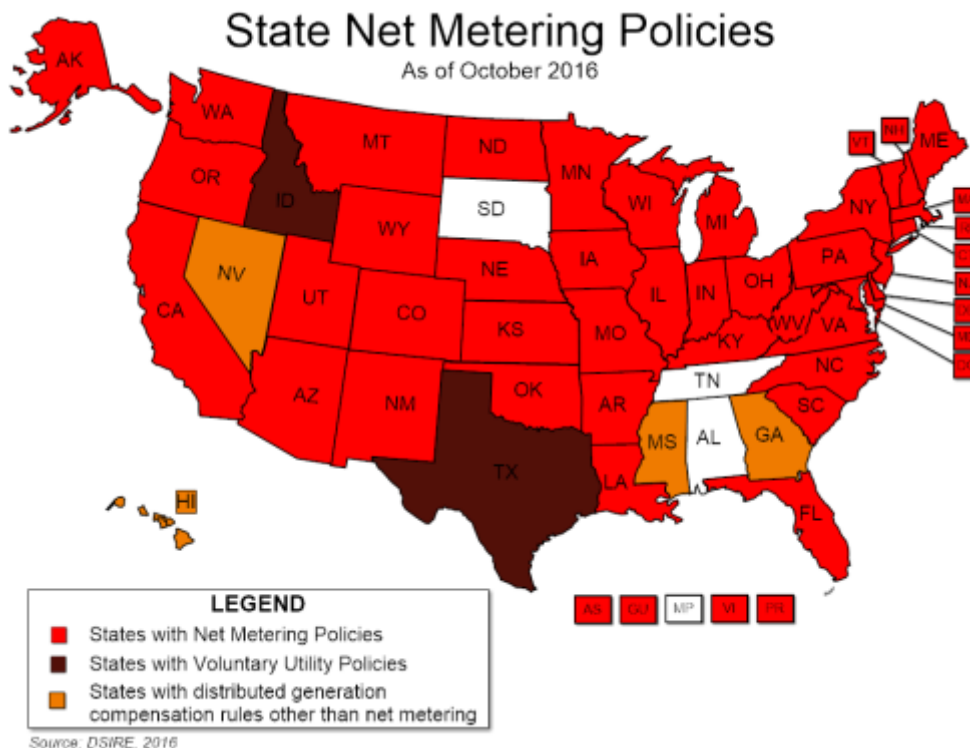


FIGURE 8. SOURCE: NATIONAL CONFERENCE OF STATE LEGISLATURES

Capacity limits often vary by customer type – municipality, non-residential, residential. And states may also have an aggregate capacity limit, often expressed as a percentage of a utility’s electricity generation. Aggregate capacity limits state that, once distributed electricity generation among all the utility’s customers reaches a certain level, the utility is not required to provide net metering credit to any new customers. The net metering policies, including capacity limits, of all 50 states and the District of Columbia are available in the [NAACP Just Energy Policies Report](#).

EXEMPLARY STATES

Only four states, Connecticut, Florida, Maryland, and Massachusetts, have net metering policies that explicitly require utilities to provide retail credit to customers with system capacities up to 2,000 kW. One state, New Mexico far exceeds the NAACP capacity limit recommendation. New Mexico has a mandatory net metering policy requiring retail electric credit for systems with capacities up to 80 MW.

SUPPORTING POLICY #2: ELIGIBLE TECHNOLOGY

States can choose what technologies are covered under their net metering policies. Most states’ net metering policies cover solar, but they should also include wind and geothermal – the two other clean energy sources for which NAACP advocates.

SUPPORTING POLICY #3: NET METERING CREDIT RETENTION

As with capacity limits, states have not taken a uniform approach to the issue of credit retention—whether, or to what extent, system owners should be able to “roll over” the credits that they generate because of net metering. System owners generate credits when they produce more power than they use. The question is for how long people should be able to hold on to these credits. For context, it can be helpful to think about the similar issue that people face with cell phone companies (i.e. whether they can “roll over” unused cell phone minutes). Most states with net metering policies credit surplus generation to the next monthly billing period or allow customers to select this option.³³ Figure 8 shows how states differ in their credit retention policies.

HAWAII

- Hawaii's credit retention policies allow excess generation to be credited to a customer’s next bill at the retail rate, however, excess credits are granted to the utility at the end of an annual billing cycle.

CALIFORNIA

- California credits excess generation to a customer’s next bill at retail rate; after a 12-month period customers can choose whether to roll credits over indefinitely or receive a payment for credits at the wholesale rate, and if no option is selected then credits are granted to the utility with no customer compensation.”³⁴

Legend:

- NEG at retail rate (or above); credits do not expire
- NEG at retail rate at first, then credits expire or are reduced (e.g., to the avoided cost rate) after set period of time
- NEG at less than retail rate (e.g., avoided cost rate)
- NEG at \$0
- No uniform or statewide mandatory net metering rules

SUPPORTING POLICY #4: RENEWABLE ENERGY CERTIFICATE (REC) OWNERSHIP

WHAT ARE GREEN ENERGY CREDITS?

A designated agency certifies that the energy production requirement has been met and issues the appropriate number of RECs to the green facility. The green facility can then route the green energy produced to the commercial electrical grid managed by utility companies. The RECs can then be sold by the green facility to the utility companies to help satisfy requirements placed on the utility companies for renewable energy production. RECs can be sold across state lines so that green energy produced in one part of the country can be used to offset the use of fossil fuels in another state. RECs can also be purchased by businesses and individual consumers to reduce the harmful environmental impacts of their energy use. Supporters of green energy credits claim that pollutants and greenhouse gasses are overall reduced because of this trading system.

SUPPORTING POLICY #5: COMMUNITY AND CUSTOMER CHOICE AGGREGATION (CCA) PROGRAMS

Community Choice Aggregation (CCA) gives cities and counties the ability to combine the electric loads of residents, businesses and public facilities to facilitate the purchase and sale of electrical energy in a more competitive market.³⁶ CCAs can offer energy independence, price stability, more effective energy efficiency programs, opportunities for increased use of renewable and alternative energies, and enhanced local employment.³⁷ CCA programs can directly support renewable energy generation and open up avenues for customers to make deliberate choices about their energy suppliers.

How Local Energy Aggregation Works

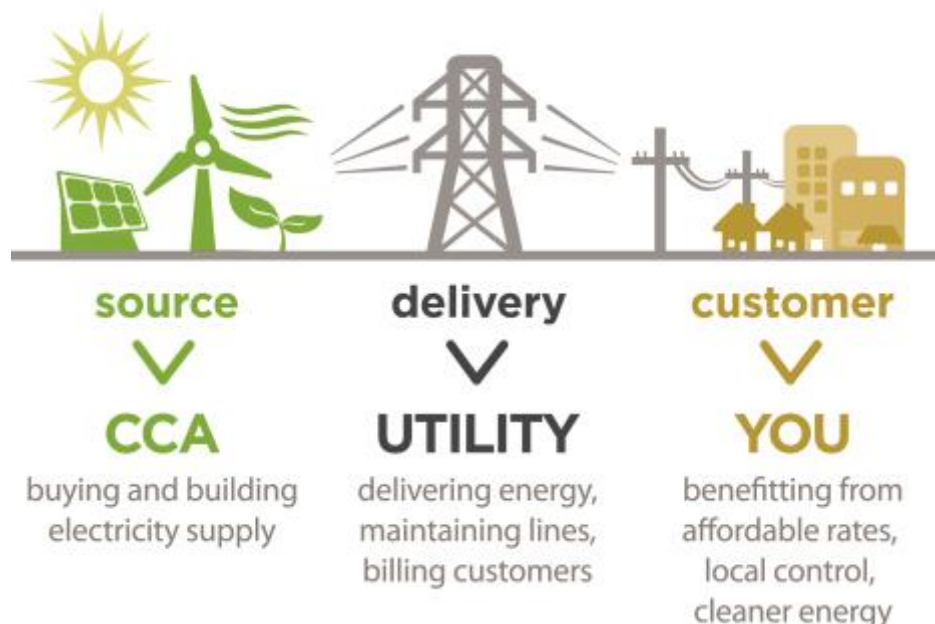


FIGURE 10. SIMPLIFIED EXPLANATION OF HOW CCA WORKS
SOURCE: LOCAL ENERGY AGGREGATION NETWORK

There are several benefits to CCA programs. These benefits include:

Local Control: One of the most prominent features of CCAs are that they provide communities with local control over energy decisions. Control over energy generation is shifted from the investor-owned utilities (IOUs) and put into the hands of cities, counties, or joint power authorities (JPAs).³⁸ JPAs are entities of two or more public authorities (e.g. local governments, utility, or transport districts), not necessarily located in the same state, that are permitted by state laws to jointly exercise some common power. CCAs allow customers to actively choose between energy service providers (ESPs) based on price and the source of energy generation.³⁹

Lower Energy Rates: CCAs provide consumers with lower energy costs relative to other utilities through competition. These competitive markets often have higher yield cost savings.⁴⁰

Renewable and Alternative Energy: With the ability to choose ESPs, CCAs can partner with an ESP that provides a specific portfolio of energy generation sources or procures renewable energy itself.⁴¹

Energy Efficient Production: A CCA can encourage the development of new energy generation facilities either through contracting with ESPs or by directly funding renewable energy projects. Development of new generation will displace production from old, inefficient sources, including coal or oil-fired plants, which can significantly reduce the environmental impacts of energy production.⁴²

Energy Price Stability: CCAs may also provide consumers with energy price stability relative to traditional energy sources, which are subject to limited supply and uncertain pricing. Reliance on alternative and renewable sources of energy allows some CCAs to buffer themselves from future energy spikes.⁴³

Energy Efficiency Programs: Community Choice Aggregators would have the ability to apply to become administrators of energy efficiency programs, as well as issue proposals for tailored community programs. The CPUC may also consider ordering energy efficiency program administrators to direct more programs toward CCAs to guarantee equity in the distribution of energy efficiency benefits. Studies have found that energy efficiency programs administered by IOUs are less efficient than competitive programs.⁴⁴

Allows Municipalities to Meet Other Objectives: Communities can use CCAs to meet other local objectives, including economic development, environmental issues, community health, and local employment. CCAs who administer programs, should require that they be managed locally, which employs local workers. Coordinating conventional and renewable energy projects would also direct additional funds into the local economy. Also, CCAs that rely on renewable energy generation will have an associated benefit of reduced local and regional air pollution and other environmental impacts.⁴⁵

WHERE IS CAA ALREADY AN OPTION?

As of 2016 10 states have active or pending CAA legislation. These states include: California, Illinois, Massachusetts, Montana, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, and Utah. Table 8 details a few existing CCA projects and programs across the country.

COMMUNITY SHARED RENEWABLE ENERGY

Community-owned clean energy can take several forms, the most common for communities being solar gardens, and wind farms. Solar gardens, also known as community solar and solar farms, and wind farms are renewable energy projects and installations that provide energy to more than one utility customer. Community solar gardens and wind farms allow members of a community to share the benefits of solar power even if they cannot or prefer not to install solar panels on their property. Figure 10, illustrates how community solar gardens, and community clean energy in general, works. Project participants benefit from the electricity generated by the community solar farm, which costs less than the price they would ordinarily pay to their utility. The projects are enabled by distributed generation and net metering policies.

LOW-INCOME ACCESS

Low-income households in the United States spend a higher percentage of household income on energy costs. Their energy spending is more than twice the average for non-low-income households—8.3 percent compared to 2.9 percent—and four times the median national household energy burden—a median of 13.3 percent compared to 3.3 percent. Access to renewable energy generation, through distributed generation, can significantly reduce the energy burden of low-income households by providing electricity below local utility rates.⁴⁶ Household energy burden is the percentage of annual household income that is used to pay annual residential energy bills. The lower rates and energy savings that can be realized by community owned renewable energy generation are key foundations of the just energy transition.

Unfortunately, the impressive expansion of solar power in the U.S. has been concentrated among middle and upper income households. While household renewable energy programs and projects are beneficial, there can be barriers to involvement. Some of these include the absence of an ideal project location, poor housing conditions, and high system costs. These factors, alongside systematic disenfranchisement, are key barriers for low-income neighborhoods, and communities and households of color to develop renewable energy projects. These groups often experience:

- Difficulty meeting credit requirements to obtain affordable financing for solar panels;
- Inability to take advantage of solar energy tax credits; and
- Lack of property or proper housing conditions on which to install solar panels.



FIGURE 11. HOW COMMUNITY SOLAR ARRAYS (GARDENS) WORK

DISCUSSION: SOLAR GARDENS

In states that permit community solar gardens, the size of solar gardens and the subscription requirements vary greatly. In Colorado, for example, solar gardens cannot exceed 2 megawatts, which could require up to 16 acres. And in Minnesota, gardens cannot exceed 1 megawatt. However, in California, solar gardens can be as big as 20 megawatts, which would require 160 acres.

Community solar gardens are groups of solar panels located in a central area. Electricity from solar gardens is divided between residential subscribers who purchase shares of the electricity generated from the garden. Residential subscribers who purchase electricity from a solar garden receive a credit on their monthly utility bills equal to the amount of power they purchase from the garden. This credit can offset all or part of a customer's monthly bill.

Community-shared renewable energy programs (e.g. community solar gardens) are a viable solution to the lack of low and moderate income access. Community solar programs, instead of requiring individuals to have their own household solar installations, have community members purchase lower cost solar power generated on a nearby property. Community solar can help to more equitably distribute the benefits of solar power to low income households. Solar gardens can increase the accessibility of solar power by: allowing renters and tenants of multifamily housing access to solar energy and distributed generation; and helping to eliminate the need to obtain financing by, allowing the purchase of smaller amounts of a system/energy and reducing the price of solar panels via bulk purchasing. Currently, fourteen states and the District of Columbia have laws permitting community solar:

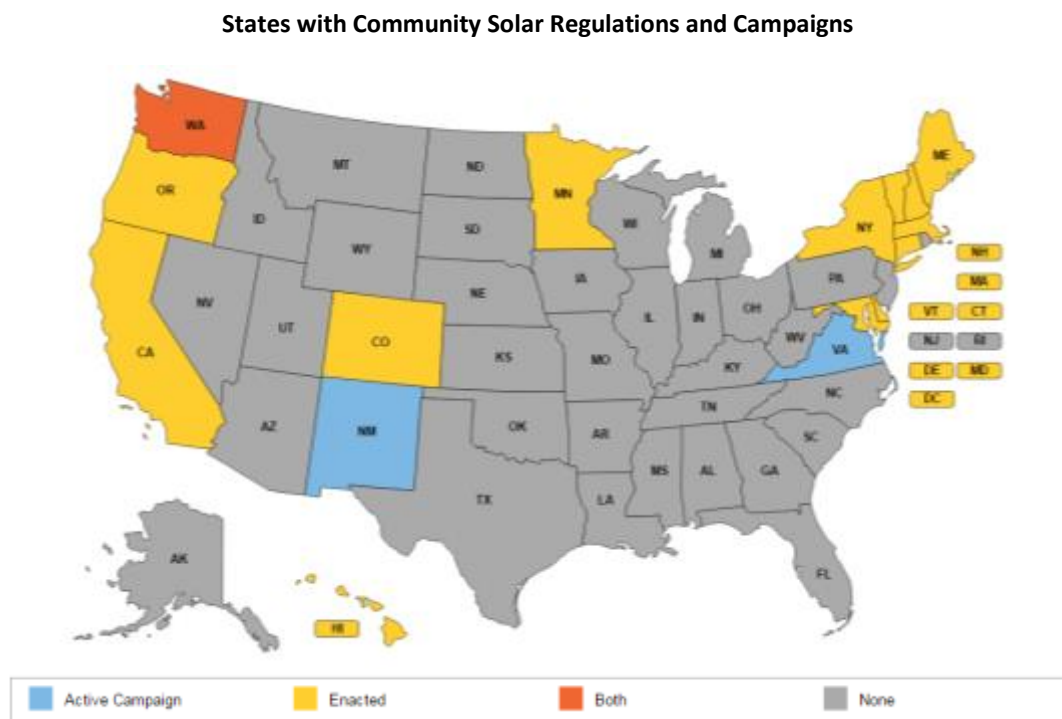


FIGURE 12. SOURCE: SHARED RENEWABLES HQ

STATE SOLAR GARDEN LAWS

Below is a sample of state community solar laws from the Shared Renewables Headquarters. For more information on other states' policies visit their website: <http://www.sharedrenewables.org/community-energy-projects/>.

COLORADO

Colorado's community solar regulation was first passed in 2010 as a pilot program (HB 10-1342). The program was so popular the state passed new legislation in 2015 to expand participation.

Key provisions of CO Community Solar Law:

- Community solar project cannot exceed two MW in size;
- Minimum of 10 participants, 25 for installations larger than 500 kilowatts;
- Subscriber must be located within the same county as the community solar project and within the service area of the utility purchasing the electricity;
- System shares cannot exceed 120% of the average annual electric consumption of each subscriber; and
- Community solar projects may be owned by utilities, for profit, or non-profit organizations.⁴⁷

MINNESOTA

In 2013, Minnesota signed into law an energy bill, Minnesota's Omnibus Energy Bill (HF 2834), which required Xcel Energy, the state's largest utility, to file a plan with regulators for setting up and operating a community solar garden program. The bill also allowed investor-owned utilities to voluntarily establish plans.

Key provisions of MN Community Solar Law:

- Minimum of five subscribers required for each solar garden, with no member owning more than a 40 percent interest;
- Solar gardens cannot exceed one MW in size;⁴⁸ and
- Energy companies cannot cluster more than 51 MW projects in each location.⁴⁹



PICTURE 7. SOURCE MIT ENERGY INITIATIVE

MASSACHUSETTS

In Massachusetts, the Green Communities Act of 2008 authorized community solar projects in the state. Since that time, the MA Department of Energy Resources has established regulations allowing community shared solar generation units.

Key provisions of MA Community Solar Law:

- Each community solar project must provide net metering credits to three or more utility accounts;
- Each participant in a community solar project must have an interest in the production of the Generation Unit or the entity that owns the Generation Unit, in the form of formal ownership, a lease agreement, or a net metering contract;
- Community Solar project cannot exceed six MW in size;

- No more than two participants may receive net metering credits more than those produced annually by 25 kW of nameplate direct current capacity, and the combined share of said participants' capacity shall not exceed 50 percent of the total capacity of the Generation Unit;⁵⁰ and
- Community solar projects are eligible to generate Solar Renewable Energy Credits (SREC IIs) that can be sold to utilities.⁵¹

MARYLAND

In 2015, Maryland approved a law creating a three-year pilot program for community solar projects.

Key provisions of MD Community Solar Law:

- Community solar projects must be in the same electric service territory as its subscribers;
- Individual shares cannot exceed 200 percent of subscriber's baseline usage;
- Third parties may finance, build, own, or operate a community solar project;
- Electric companies must buy the virtual net excess generation, up to specified limits;
- Community solar project cannot exceed two MW in size;
- 200 kW subscriptions cannot constitute more than 60 percent of subscriptions in a community solar project;
- The Public Service Commission must initiate a stakeholder workgroup examining the program and make recommendation respecting a permanent community solar program
- Projects approved by the PSC during the pilot program may continue operating after the end of the pilot program regardless of whether a permanent program is established.⁵²

Just as there supporting policies that help ensure the success of EERS and RPS, there is a supporting policy that is key to helping community solar succeed in any state: a community solar carve out. Community solar carve outs and/or credit multipliers provide powerful incentives for the development of community solar gardens.

SUPPORTING POLICY: COMMUNITY SOLAR CARVE OUTS/CREDIT MULTIPLIERS

Solar carve outs and credit multipliers are included in most Renewable Portfolio Standards (RPSs) because the programs favor lower cost renewable technologies Solar carve outs require a certain percentage of the RPS to satisfied by solar energy technologies, while credit multipliers offer additional credit toward compliance for energy derived from solar sources. Between 2005-2009, 65-81% of the total grid-connected solar generation systems in the United States occurred in states with active and pending solar carve outs.⁵³ Both Solar carve outs and solar credit multipliers also can encourage community solar, specifically. A few states have taken this next step of creating carve outs specifically targeting community solar.

EXAMPLES COMMUNITY SOLAR CARVE OUT POLICIES

Colorado

- Colorado has a distributed generation (DG) carve out, requiring 3 percent of retail electricity sales to come from on-site sources by 2020.
- The state has a 200 percent credit multiplier available for electricity generated from community based projects (less than 30 MW), owned by community members, co-op, tribes, local government, etc. that generate.⁵⁴

MINNESOTA

- In 2013, Minnesota enacted a 1.5 percent solar carve out. Ten percent of the standard is carved out for small solar projects up to 20 kW.

CONCLUSION

Distributed generation is key to achieving just energy policies. Community solar is an important part of distributed generation because it helps to ensure that the energy democracy and autonomy benefits of solar are equitably distributed. Net metering is key because it similarly increases the number of people who are willing and/or able to participate in generating their own power. To ensure maximum benefit from community solar gardens, community solar enabling laws and community solar carve outs are key supporting policies. And to ensure the maximum benefit from net metering policies, limits, if any, on capacity, eligible technology, credit retention, and REC ownership must be fair and appropriate.

EQUITY IN ENERGY ENTERPRISE POLICIES: LOCAL, PEOPLE OF COLOR AND WOMEN HIRE AND DBE POLICIES

In addition to advocating for energy efficiency, renewable energy, and distributed generation policies, it is important to advocate in favor of policies that will ensure equitable access to the jobs and revenue that these new just energy policies will create. The current energy infrastructure does not promote equitable access to employment, revenue, and other opportunities. According to the American Association of Blacks in Energy, in 2009, while African Americans spent \$40 billion on energy, only 1.1 percent of African



PICTURE 8. SOURCE: BALTIMORE FISHBOWL

Americans held energy jobs and African Americans collected only .001 percent of energy revenue. To achieve economic justice and equity in the energy sector, key supporting economic policies must be in place. These policies include local hiring and person of color and woman owned business provisions.

LOCAL, PEOPLE OF COLOR, AND WOMEN HIRE PROVISIONS

Local, people of color and women hiring policies set goals for increasing the number of local people, people of color, and women that are hired for state or federally funded projects. In addition to preserving local employment opportunities, local hire policies:

1. Ensure that tax dollars are invested back into the local economy;
2. Reduce the environmental impact of commuting; and
3. Foster community involvement.

State and federal funding, incentives and mandates for developing renewable energy and energy efficiency will continue to incentivize an ever-greater number of renewable energy and energy efficiency projects. Local, people of color and women hire provisions should be used to ensure equitable access to the employment and employment training opportunities created by new renewable energy and energy efficiency projects.

DISADVANTAGED BUSINESS ENTERPRISE (DBE) PROVISIONS

Like the way in which local, people of color, and women hire provisions help increase individuals access to critical employment and training opportunities, Minority Business Enterprise (MBE), Woman Business Enterprise (WBE), and DBE provisions help ensure that people of color, women and socially or economically disadvantaged businesses get a fair opportunity to win contracts. Minority Business Enterprises are businesses that are at least 51 percent owner operated and controlled by individuals who identify with specific ethnic "minority" classifications, including African American, Asian American,

Hispanic American, Native American, etc. MBEs can be self-identified, but are typically certified by a city, state, or federal agency. WBEs and DBEs are businesses that are at least 51percent owner operated and controlled by women or disadvantaged persons. Often publicly funded projects set a requirement or goal to source MBEs, WBEs or DBE as suppliers. Some state policies reference MBEs, WBEs, and DBEs separately. Often, DBE is used as an umbrella term that includes majority people of color or women business enterprises as well as economically disadvantaged business enterprises.

There are several creative ways that states can use policies to increase local people, people of color, women and DBE's access to the employment and training opportunities that will be created by state RPS, energy efficiency, and distributed generation policies. Some examples of possible policies include:

- Renewable Energy Certificate (REC) multipliers for utilities that use DBE and local, people of color and women hire provisions in agreements with contractors on renewable energy or energy efficiency projects;
- REC multipliers for utilities that build in-state generation plants or uses equipment manufactured in state;
- REC multipliers for a utility that makes an investment in an in-state energy generation plant;
- Bidding preferences for contractors that implement local, people of color and women hire policies; and
- Requiring the use of community benefit agreements (CBAs) for all renewable energy and energy efficiency projects.



PICTURE 9. SOURCE: GREEN BUILDING ADVISOR

Although no states currently include DBE policies within their energy efficiency, renewable energy or distributed generation policies, nine states currently have local hire provisions within their energy policies. Table 5 details the equitable enterprise policies of these nine states. These policies are a step toward advancing the energy democracy and sovereignty needed for communities of color and other disadvantaged groups.

TABLE 5. STATES WITH EQUITABLE ENTERPRISE POLICES IN PLACE (STATE AND/OR LOCAL)

State	Equitable Enterprise Policies
Arizona	<ul style="list-style-type: none"> • Extra Renewable Energy Certificate (REC) credit multipliers may be earned for in-state solar installation and in-state manufactured content. • If a utility makes an investment in an in-state solar electric manufacturing plant or provides incentives for a plant to be located in-state, the utility can acquire RECs for the main Renewable Portfolio Standard (RPS) tier equal to the capacity of the system multiplied by 2,190 hours.
California	<ul style="list-style-type: none"> • Approved a Clean Energy Job Creation Fund that directs up to \$550 million each year into energy efficiency and renewable energy projects on public buildings.

	<ul style="list-style-type: none"> San Francisco's 1998 First Source program requires that for all government assisted construction projects, employers must make a good faith effort to hire Economically Disadvantaged Residents referred by San Francisco's Workforce Development System.
Delaware	<ul style="list-style-type: none"> Several compliance multipliers are currently available under the Delaware RPS. There is an additional 10% REC credit for solar or wind installations sited in Delaware, for which at least 50% of the equipment or components are manufactured in Delaware. There is an additional 10% credit for solar or wind installations sited in Delaware and installed with a minimum 75% state workforce.
District of Columbia	<ul style="list-style-type: none"> The 1984 First Source Program requires that for all government assisted construction projects, 51% of all new jobs created on the project and at least 70% of all common laborer hours are filled by District Residents.
Maine	<ul style="list-style-type: none"> The state established the Community-based Renewable Energy Pilot Program in 2009, which encourages the development of locally owned, in-state renewable energy resources. To be eligible for incentives, a generating facility must be 51% locally owned, use renewable energy resources, be no larger than 10 MW in generating capacity, and be located in-state.
Massachusetts	<ul style="list-style-type: none"> Boston's Neighborhood Jobs Trust directly funds job training through a city real estate development fee.
Michigan	<ul style="list-style-type: none"> Michigan's RPS contains a series of bonus incentive renewable energy credits. Renewable electricity produced using equipment manufactured within the state of Michigan receives an additional 1/10 credit per MWh. Renewable electricity produced using a system which was constructed using an in-state workforce receives an additional 1/10 credit per MWh.
Minnesota	<ul style="list-style-type: none"> Under the State's Community-Based Energy Development Tariff, each public utility in Minnesota is required to file with the state Public Utilities Commission (PUC) to create a 20-year power purchase agreement for community-owned renewable energy projects.
Montana	<ul style="list-style-type: none"> The state's RPS includes provisions for community renewable energy projects to stimulate rural economic development (defined as renewable energy projects less than 25 MW where local owners have a controlling interest) For each year following 2014, utilities must purchase at least 75 MW in nameplate capacity. Public utilities must enter contracts that include a preference for Montana workers.

COMMUNITY BENEFIT AGREEMENTS

One way that states and municipalities can increase equitable access to employment and training for residents, people of color, women, and DBEs is with a community benefit law or ordinance that mandates the use of community benefits agreements in publicly subsidized energy projects.

A Community Benefits Agreement (CBA) is a project-specific agreement between a developer and a community or community coalition that identifies and details the project's contributions to the community. CBAs seek to ensure community support for the project, by addressing community issues in a legally binding and enforceable agreement. Terms from a CBA can be incorporated into an agreement between the local government and the developer, as a development agreement or lease, which gives the local government the power to enforce the community benefits terms.⁵⁵

DISCUSSION: DETROIT'S COMMUNITY BENEFIT ORDINANCE PETITION

Detroit is an example of a city in which residents and members of the Detroit People's Platform and Equitable Detroit Coalition organized and advocated in favor of a municipal community benefits ordinance (CBO). On Pages X and X are samples from the 2014 petition and proposed CBO created by community members.

The proposed community benefit ordinance contains a "first source hiring program" provision. In this model ordinance, only local people and economically disadvantaged persons are included. However, communities could and should tailor hiring provisions to suit local needs and, to the greatest extent possible, to be inclusive of local persons, people of color, women, socially and economically disadvantaged persons and DBEs. Other relevant provisions included in the CBA ordinance but not shown below include: environmental remediation and conservation; housing relocation; and public safety, monitoring, and enforcement. <http://www.detroitpeoplesplatform.org/resources/community-benefit-agreements/>



Spring 2014

People's Petition for the Establishment of a Detroit Community Benefit Agreement (CBA) Ordinance

We the undersigned citizens and registered voters of Detroit seek to ensure that impacted neighborhoods and communities, residents, and business are beneficiaries and not victims of economic development projects that use public resources including grants, tax abatements, and other public subsidies provided from and through the City of Detroit, State of Michigan, and the federal government.

Community Benefit Agreements (CBAs) can establish a contractual relationship between directly impacted communities/neighborhoods and the developer of economic development projects that receive public grants, subsidies, and various tax supports as well.

We, the undersigned citizens and registered voters in the city of Detroit call upon the Detroit City Council to support the proposed Community Benefit Agreement (CBA) ordinance that will establish provisions for developers to ensure that Detroiters have access to jobs and employment opportunities, environmental mitigation, housing assistance, public safety enhancements and other measures.

Read more on the proposed CBA ordinance at unitingdetroiters.org

Name	City Council District	Street Address	Registered Voter? y/n
1			
2			
3			

Community Benefits Ordinance In-Brief

Overview

The proposed Community Benefits Ordinance that has been put before City Council seeks to hold large scale developers that receive public money, grants, tax abatements, transfers of city owned land or property, or other forms of subsidy accountable to the communities its developments will most directly impact.

As a result, the ordinance is asserting that developments that fall within the category as defined above be subject to a Community Benefits Agreement (CBA) between the developer and the host community (the community most directly impacted by the development) **before** any agreements are executed between the Project Developer and the City of Detroit.

A Community Benefits Agreement is a binding contract negotiated between the host community and the project developer for purposes of fulfilling specific and meaningful benefits to the community in exchanges for the community's public support and approval of the project. The agreement is intended to create a partnership between the developer and the community in an effort to streamline the development process and get the community's buy-in for the development project.

The ordinance seeks to make standard minimum key provisions that must be included in every CBA while allowing for such agreements to be tailored to the needs of particular communities and what is practical on particular development projects.

Minimum Key CBA Provisions:

The following provisions as detailed in the ordinance are minimum requirements that should be included in every CBA between a project developer and host community:

- **Employment provisions which include a First Source Hiring Program**

A **First Source Hiring Program** is to facilitate the employment of Targeted Job Applicants by Employers in the Development Project. It is a goal of the First Source Hiring Program that the processes will benefit employers by providing a pool of qualified job applicants, through a non-exclusive referral system, whose job training has been specifically tailored to the needs of employers in the project through a non-exclusive referral system.

The First Source Hiring Program shall apply to hiring by all project employers during the site preparation, construction and operational phases of the Development Project, except for job openings where hiring procedures are governed by a bona fide collective bargaining agreement that conflicts with the First Source Hiring Program.

Targeted Job Applicants include the following three categories of individuals: First Priority: Residents from the Host Community and Displaced Workers. Second Priority: Low-income Individuals living within two miles of the project. Third Priority: Low-income Individuals living in census tracts throughout the City of Detroit.

CONCLUSION

Alone just energy policies surrounding the generation, distribution, and use of renewable energy is not enough to ensure a just transition to a cleaner, sustainable, and equitable energy economy. For the goals of creating an energy democracy, equitable enterprise policies play a critical role. In developing renewable energy projects—supported by RPSs, EERSs, and distributed generation policies—local, diverse hiring and DBE provisions must be in place. NAACP units advancing Just Energy Policies Campaign should incorporate these policies as well.

ADDITIONAL POLICY MECHANISMS

REBATES/INCENTIVES

The [NAACP Just Energy Policies Report](#) includes tables listing each state's financial incentives and rebates for energy efficiency and renewable energy. Each incentive has a short description and a hyperlink to more information. Incentives are broken down into four categories: statewide incentives, utility specific incentives, local incentives, and non-profit incentives:

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. Although, 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.

CONCLUSION

In addition to advocating for strong EERS, RPS and distributed generation policies, it is important to advocate in favor of robust energy enterprise policies – local, people of color and women hire and DBE provisions. Strong energy enterprise policies ensure a just transition to a green economy that promotes economic equity while it protects human health and well-being and the environment. Advocating for the use of REC multipliers, bidding preferences and community benefit agreements in publicly funded energy projects are all good ways to promote equitable access to the employment and training opportunities in the energy sector.

MOVING TOWARD AN ENERGY DEMOCRACY

The model policies outlined in this guide represent steps toward a cleaner, greener, more equitable future, marked by an energy economy based on energy sovereignty. In the long term, we must continue to push for systems change. It is time to not only eliminate the harmful utility practices, but to correct the extractive economy that we currently face. This guide serves as an introduction into the transformative advocacy work that the NAACP is known for. The *NAACP Just Energy Policies and Programs Action Toolkit* provides continued guidance on how to run your unit's Just Energy Policies Campaign.

The fight against the extractive economy is not about making things better for people who are poor; it is about eliminating poverty, racism, and other social and structural inequities that render households vulnerable. It is time to transition power to the people and anchor this necessary change in increased energy efficiency distributed generation of clean energy. There is an opportunity to reinvent the U.S. energy sector, to create a shared economy and move power back into the hands of citizens. It is time for a Just Transition to localized economies, grounded in ecological stewardship, community wellbeing, democratic decision-making, and locally control resources (Figure 11).⁵⁶

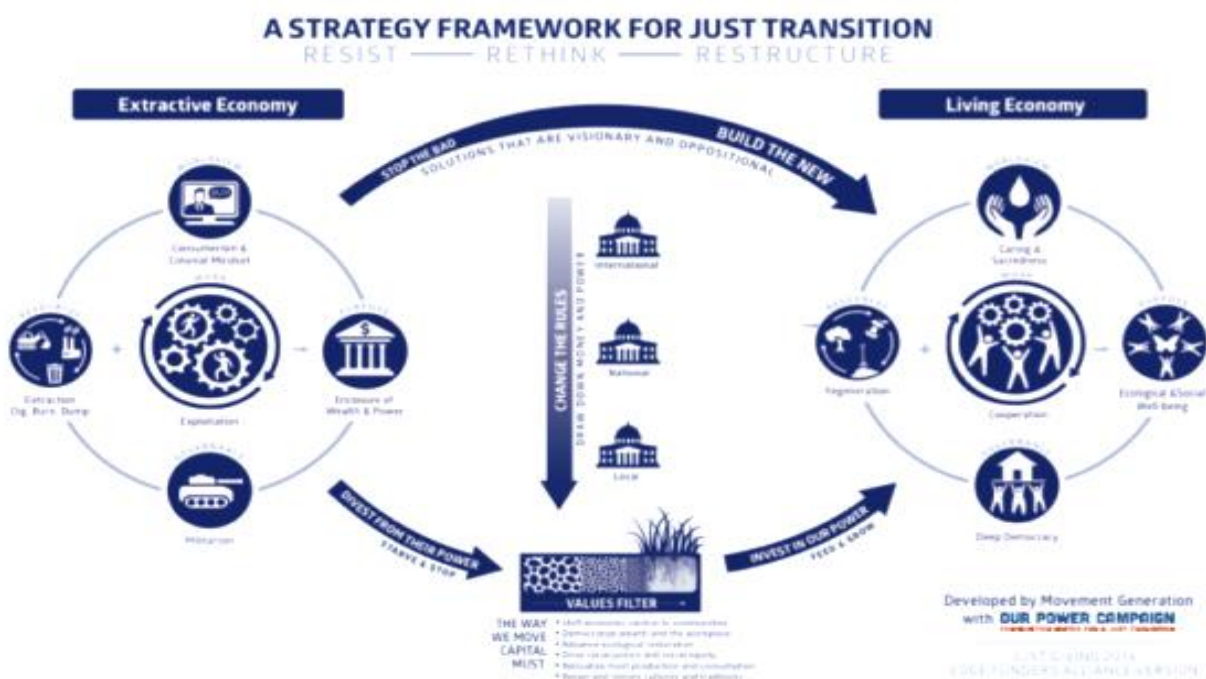


FIGURE 13. SOURCE: OUR POWER CAMPAIGN, CLIMATE JUSTICE ALLIANCE

JUST ENERGY POLICIES AND PRACTICES ACTION TOOLKIT

The NAACP *Just Energy Policies and Practices Action Toolkit* is a practical guide developed to provide the tools and information for NAACP Unit and State Conference just energy policies advocacy. This toolkit provides groups with the necessary structure and knowledge to act and be successful in the long term. The toolkit contains

Part One: Investigating Renewable Energy and Energy Efficiency Opportunities

This section guides units through the initial gathering information stage of the campaign. It provides resources for units to determine the scope of the problem, discern what information is needed to develop a plan for energy efficiency and renewable energy, and learn about key considerations that must be considered when advocating for just energy policies.

Part Two: Awareness-Raising and Education

This section features modules for activities to raise awareness and facilitate discussion in the community about options and opportunities in renewable energy and energy efficiency.

Part Three: Determining the Ask and Mapping the Plan

This section guides you through how to clarify campaign and project ask(s) or goal(s), and identify objectives and action steps that will help measure and guide you toward achieving your goal(s). It also guides you through identifying the systems and people that have the power, both positive and negative, to influence the outcomes that you seek to achieve.

Part Four: Developing Campaign Infrastructure

This section guides units through evaluating the level of engagement that is appropriate for your unit and how to explore potential partnerships and collaborations that could help strengthen and catalyze their work.

Part Five: Taking Action - Just Energy Organizing

This section provides units with some useful tools and resources for acting to bring about their desired policy outcomes.

Part Six: Overview of Community Ownership and Cooperative Models

This section covers the logistics –legal, practical, financial- of setting up a shared renewable energy and energy efficiency project and provides snapshots of examples of successful community-led programs and projects.

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