USDN/BEI Building Electrification and Transitioning from Gas Learning Group

July 8, 2020 4:00pm - 5:00pm ET

Localizing Health, Safety and Financial Messaging

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Session Outline

Racial Inequities
 Related to Energy
 Outcomes

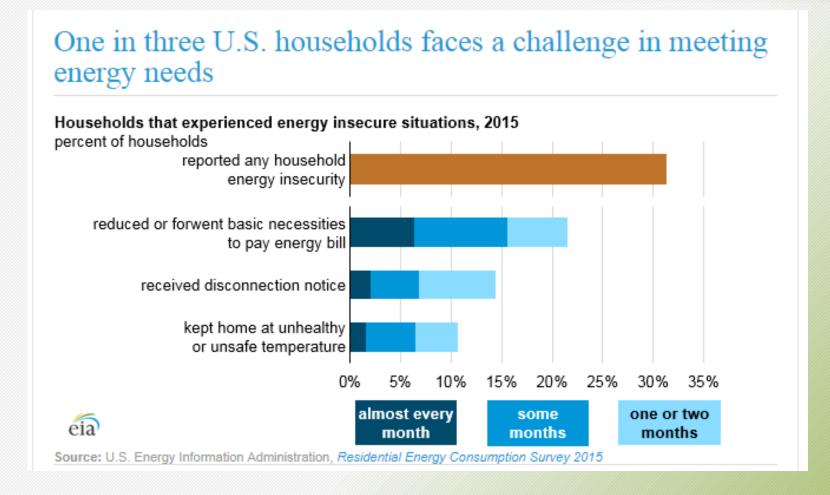
2. Addressing Inequities with EE and Electrification

3. Policy and Programmatic Pathways to Maximize EE Benefits





Pre COVID-19: Impact of Energy Inefficiency



- One in five households reduce or forgo necessities such as food and medicine to pay an energy bill
- 14% of households experience energy service disconnection annually
- 11% of households keep home at an unhealthy or unsafe temperature

Adverse outcomes on African Americans related to energy insecurity

- Housing burden
 - More likely to experience evictions, foreclosures, and other forms of transient housing -> housing affordability issues (Desmond and Kimbro 2015; Evans and Kantrowitz 2002)
- Energy burden and shut-offs
 - Spend the highest percentage of their income on energy costs (Drehobl and
 - Ross 2016)
 - More likely to experience disconnections (U.S. Energy Information Administration 2017)
- Bundled burdens/economic trade-offs
 - Forgoing food and medicine to pay for energy (U.S. Energy Information Administration 2017)

Business • Analysis

Black families pay significantly higher property taxes than white families, new analysis shows

Unfair property assessments lead to widespread overtaxation of black Americans' homes

Adverse outcomes on African Americans related to energy insecurity

Health burdens

- Energy insecurity can lead to long period of stress that can lead to longterm health problems (Geronimus 2000; Geronimus and Thompson 2004; Hernández et al. 2016b)
- Increased burden of lead poisoning, asthma, unintentional injuries, hypertension (Bryant-Stephens 2009; Green et al. 2013; Rauh et al. 2008)
- Extreme weather and climate impacts
 - Often affected disproportionately by extreme weather events (Sharkey 2007)
 - Less likely to have air conditioning and more likely to die from extreme heat (Klinenberg 2015; O'Neill 2005)
- Depletion of the resilience reserve
 - Frequent stressors impact the ability to recover from traumatic events (Hernández et al. 2018)

Cause of Disproportionate Energy Outcomes

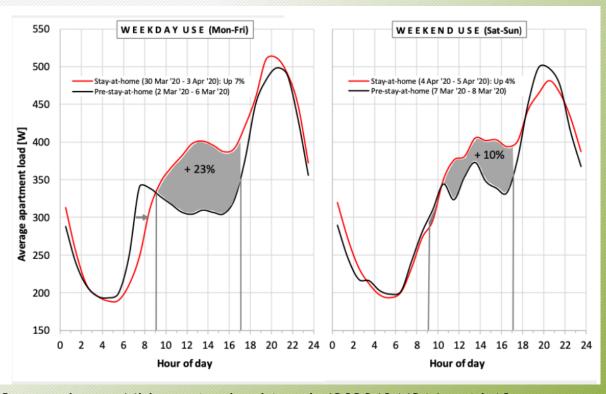
- Racist housing policies
 - Residential segregation (Geronimus 2000; Massey and Denton 2003; Oliver
 - and Shapiro 2006)
- Historical disinvestment
 - Denied access to loans and other resources to improve housing conditions (Aalbers 2006; Blumgart 2017; Woods 2012)

What does this have to do with energy efficiency and electrification?

 Current housing conditions directly impact the need for and ability to access EE programs

Impact of COVID-19 Stay-at-home orders

- Stay at home orders
- Increased residential energy usage
- Mental health impacts
- Increased exposure to health and safety hazards
 - Lead paint hazards
 - Asthma triggers



Source: https://blogs.ei.columbia.edu/2020/04/21/covid-19-energy-costs-households/

Impact of COVID-19 - Economic Crisis

- 1 in 5 people working in February lost a job or were furloughed by end of April
- Estimated 447,200 clean energy jobs lost
- Higher energy cost burdens (in California, electricity use increased 15-20%)
- Reach of utility shutoff moratoriums and assistance is inconsistent
- Disruption in efficiency programs likely to have greater impact on small businesses and minority contractors

Poor Americans Hit Hardest by Job Losses Amid Lockdowns, Fed Says

Fully 39 percent of former workers in households earning \$40,000 or less lost work, and a new Federal Reserve survey shows many families have few resources to make it through.



Role of Electrification in Promoting Equity

- Electrification is the act of converting end uses to be powered by electricity as opposed to fossil fuels. Benefits include:
 - Greatest need in older buildings
 - Benefits include lower energy bills, improved comfort and air quality
 - Cost is a significant barrier
- Coupling electrification with weatherization and deep energy efficiency upgrades can maximize benefits
 - Greatest need for EE and Wx in older buildings
 - Measures include insulation, HVAC, window replacement, lighting, duct sealing
 - Health and safety hazards and poor housing conditions lead to deferrals, thereby deepening inequities as benefits accrue to the most advantaged

Role of Energy Efficiency in Promoting Equity

Achieving Health and Social Equity through Housing:

Understanding the Impact of Non Energy Benefits in the United States







INPUT



Comprehensive Intervention

Energy Efficiency
Electrification
Weatherization
Healthy Homes

ENERGY OUTPUTS

NON-ENERGY OUTPUTS

ENERGY BENEFITS

NON-ENERGY BENEFITS

LONG TERM IMPACTS

- reduced kWh consumed
- reduced energy demand
- improved air quality
- increased thermal comfort
- reduced toxins
- improved service reliability
- reduced system maintenance needs
- environmental quality
- occupant health
- family economic security
- neighborhood quality improvement
- reduced health disparities
- school attendance
- economic productivity

Targeted Universalism

- Targeting policies and/or programs at those who have the least access to them will, by default, make those policies and programs universally accessible.
- Electrification and energy efficiency programs should be targeted to low-income communities and communities of color. If these populations can benefit, then everyone can.
- To maximize the benefits of EE for these populations, we must improve residential housing conditions

GHHI's Whole-House Strategy

Based on a combination of education, assessment, and home modifications to address:

Hazards Recognition, Hazards Risk Assessment, Risk Management Strategies

- Lead-based paint hazards
- Asthma triggers (Mold, pests, VOCs, etc.)
- Injury hazards (Falls, fire, poisoning, etc.)
- Radon and asbestos hazards
- Energy efficiency/weatherization issues

Conducted by cross-trained assessors, educators, and crews addressing housing issues holistically



Explore State Agency Partners - New York State Healthy Homes Value-Based Payment (VBP) Pilot

Goal Develop a framework that allows New York's managed care organizations (MCO) to fund

residential healthy homes interventions as part of their value-based payment (VBP)

arrangements with healthcare providers within the Medicaid Healthcare Delivery System

Outcome Reduce energy usage, reduce utility bill costs, improve home comfort and safety. Improve

asthma-related health outcomes. Reduce Medicaid utilization associated with avoidable

hospitalization and emergency department use.

Approach Demonstrate a model for MCO's to partner with energy/housing contractors within the Medicaid

value-based payment framework. Validate potential healthcare cost savings and benefits to

residents – including healthy homes interventions into the Medicaid Healthcare Delivery System

standard business practice

Commitment \$10M from New York's Clean Energy Fund (rate payer dollars) for feasibility assessment, pilot

implementation, and market support activities

Partners NYSERDA, NYS Department of Health

Maryland Energy Efficiency Plus

- Funded at \$21 million over 3 years by Exelon/Constellation Merger
- Provided funds specifically to:
 - Address common deferral reasons, such as electrical system upgrades (e.g. knob and tube wiring) and roof repair and replacement
 - Expand energy services provided, including conversions of oil to natural gas
 - Expand health/safety services provided, such as mold removal
- Per house budget of \$36,000 with \$30,000 used for health safety

Rental Inspection/Mold Standards

- Can help alleviate a primary causes of EE deferrals
- Proactive rental inspection for lead hazards
- At least 15 states plus DC have an indoor air quality standard related to mold



Measuring Equity in Energy Efficiency Programs

Six Dimensions of Equity

Historical legacies

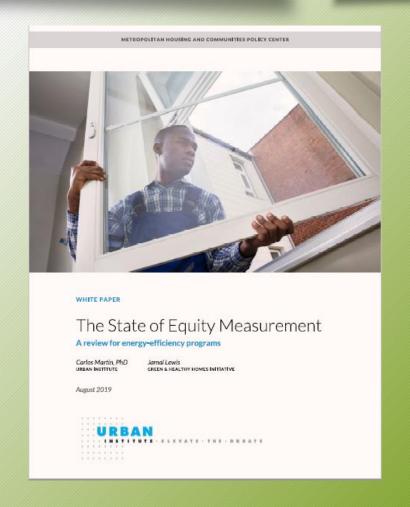
Awareness of populations

Inclusion of other voices

Access discrimination

Output differences

Disparate impacts



Questions & Comments



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