

## **EVAC Energy Relief & Recovery Recommendations: Executive Summary**

The challenges of 2020 have only exacerbated long-standing racial, economic, and environmental injustices that have impacted Minneapolis for decades. COVID-19 and the resulting economic recession have added new health and economic vulnerabilities that hit heaviest for environmental justice communities already impacted by asthma, diabetes, and other environmental ailments, those with the least access to affordable childcare and remote work, and for low-income households most vulnerable to loss of income. Simultaneously, the killing of George Floyd and the resulting social unrest has only highlighted the longstanding racial injustices in our community while damaging key multi-racial Minneapolis business corridors already stressed from the COVID-19 recession.

**Purpose of the document:** EVAC has created this document with the intention of it being used to inform future planning, funding, and resource deployment decisions of the Clean Energy Partnership. Each of our four asks include high level goals, purpose of the ask, desired outcomes, and sample metrics to assess progress.

### **Key asks:**

**Use an equitable and just process:** Ensure all relief and recovery efforts are guided by accountable input from communities most impacted, particularly BIPOC communities and low-income communities.

**Provide economic relief for high energy burdens:** Ensure that vulnerable communities, particularly BIPOC and low-income communities, are held harmless for the unsustainable energy burdens that have accrued as a result of COVID-19 and recent uprisings. Ensure that at least [60%]<sup>1</sup> of such relief within Minneapolis accrues to BIPOC residents and BIPOC-owned businesses.

**Enable clean, resilient, and just rebuilding:** Ensure that at least [60%] of recovery and rebuilding investments benefit BIPOC residents and BIPOC-owned businesses and that recovery and rebuilding is done in a way that creates resilience to future challenges, reduces local air pollution and health risks, and fights climate change.

**Create a racially just clean energy workforce:** Ensure that at least [60%] of clean energy job creation in Minneapolis creates meaningful and long-term career opportunities for BIPOC residents.

With a pandemic and racial uprisings that have only made longstanding environmental and systemic injustices more apparent, EVAC implores the Clean Energy Partnership Board to use these recommendations as a guiding framework for future investments.

Thank you,

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<sup>1</sup> [City of Minneapolis census data](#) shows roughly 40% of Mpls population are BIPOC. 40% of benefits would be just proportional to the population. 60% recognizes the disproportionate concentration of economic and public health harms in BIPOC communities

### **Draft EVAC Recommendations for 2020 Energy Relief and Recovery**

Energy is a crucial component of community resilience to our current crises, and a key aspect of a sustainable and equitable recovery. Some of the key roles of energy in these crises include:

- Indoor energy-related pollution (primarily gas combustion and poor insulation, air sealing, and ventilation) and outdoor energy-related pollution are key contributors to health vulnerabilities
- Energy burden as a primary contributor to poverty and economic instability for low-income communities and Black, Indigenous, and People of Color (BIPOC) communities
- Low-income communities, and BIPOC communities have faced inequitable access to jobs and opportunities to participate in the benefits and ownership of clean energy and energy efficiency solutions
- Rising challenges for low-income households, BIPOC communities, and struggling local businesses in affording energy bills due to the COVID crisis, including increased risk of shutoff due to unsustainable levels of utility debt.
- Energy and internet access enable distance learning and remote work. The shift of work-related and school-related energy and access costs to individual households instead of schools and employers.
- A need to rebuild damaged business corridors in ways that reduce long-term energy and health burdens, increase community resilience, and fight climate change.

The Energy Vision Advisory Committee (EVAC) provides the following recommendations to the City of Minneapolis, Xcel Energy, and CenterPoint Energy as the partners of the Minneapolis Clean Energy Partnership to guide how the partners can participate in equitable relief and recovery. These recommendations were developed through deliberations by EVAC at the Q3 and Q4 meetings, drafting by a sub-group of EVAC members following the Q4 meeting, and insights from a letter sent by a coalition of environmental justice organizations and allies sent to the MN Public Utilities Commission on August 31st in responses to proposals by Xcel Energy in the PUC's COVID-19 response docket 20-492.

Throughout these recommendations, we call on all partners to go beyond a simply representative distribution of benefits - which itself would require substantially more support of BIPOC and low-income communities than we have seen to date - by recognizing that the disproportionate share of historic harms that BIPOC and low-income communities have born required a disproportionate share of support in relief and recovery.

## **1. Use an Equitable and Just Process:**

**High Level Goal:** Ensure all relief and recovery efforts are guided by accountable input from communities most impacted, particularly BIPOC communities and low-income communities.

**Purpose:** A key first step in ensuring justice is to ensure an equitable and just process. Without meaningful consultation with, involvement of, and accountability to BIPOC and low-income communities, efforts to advance equitable relief and recovery will fall flat. Throughout all of the remaining recommendations, the partners must seek, materially support, and demonstrate real accountability to guidance from local community members to ensure proposed approaches meet real needs and act in partnership with those most affected. We recommend that all energy-related relief and recovery efforts include community evaluation of how those efforts can be structured so as to best support the following top-line goals:

- Wealth building and ownership opportunities for communities
- Equity in high quality, family sustaining employment opportunities
- Lowered energy cost burden for households and businesses serving BIPOC and low-income communities
- Equitable environmental health of neighborhoods

This form of engaged feedback will require that partners actively evaluate how our sector has contributed to power, injustice, oppression, marginalization, and the underlying conditions that have resulted in vulnerability and damage. Partners will need to evaluate how local energy can build power, wealth, and autonomy in communities who need it the most.

#### **Activities and Outcomes:**

- We specifically recommend that partners engage the Center for Earth, Energy, and Democracy, the Climate Equity Table, the BIPOC Environmental Justice table, the Minnesota Multifamily Affordable Housing Energy Network, and the neighborhood organizations and renters rights and cultural organizations that have engaged in the Twin Cities Energy Efficiency Cohort as organizations focused on energy justice.
- Develop and fund stakeholder advisory processes with meaningful decision-making power to set key outcomes and priorities to guide the development of relief and recovery priorities and ensure implementation is accountable to justice goals. The City of Minneapolis, Xcel Energy, and CenterPoint Energy should explore partnership opportunities, ensuring community-led decision-making as much as possible and providing sufficient resources to community members to engage in those processes.
- Integrate the lessons [Principles of Working Together](#) and the [Jemez Principles for Democratic Organizing](#) as key guidelines. These frameworks, developed by networks of environmental justice organizations roughly 20 years ago, serve as templates for ensuring respectful and accountable collaboration with communities.
- Provide interpreters and culturally-competent ambassadors from local communities who can help ensure that BIPOC communities realize the benefits of renewable energy and energy conservation programs that are funded by all Minnesotans but that leave many without meaningful access.

#### **Metrics/ Ways to measure Progress:**

- Development of a stakeholder advisory process

- Number of BIPOC lead and community organizations involved in said process
- How many stakeholder priorities are integrated into relief and recovery efforts
- An evaluation of how each bucket of the relief and recovery work addresses racial and economic inequality
- Number of interpreters and community ambassadors hired to improve culturally competent community engagement efforts.

## 2. Provide Economic Relief for High Energy Burdens:

**High Level Goal:** Ensure that vulnerable communities, particularly BIPOC and low-income communities, are held harmless for the unsustainable energy burdens that have accrued as a result of COVID-19 and recent uprisings. Ensure that at least [60%] of such relief within Minneapolis accrues to BIPOC residents and BIPOC-owned businesses.

**Purpose:** Low-income and BIPOC Minneapolis households disproportionately experienced unlivable energy cost burdens even before the crisis. While low-income assistance programs exist, most are dependent on qualification for LIHEAP, which only around 27% of income-eligible Minnesota households receive each year. Paying utility bills has been the top expense causing Minnesotans to take out payday loans, and utility shut-offs can lead to evictions and homelessness. While shut-offs have been suspended during the COVID-19 crisis, many low-income households, especially those who have lost jobs, are building up unsustainable levels of utility debt that may create grounds for shut-offs after the initial public health crisis subsides. The partners of the Minneapolis Clean Energy Partnership must provide meaningful relief, targeted to those most impacted by high energy costs.

### Activities and Outcomes:

- Provide a direct rebate/utility bill credit/ debt forgiveness of [###, 25% of 2019 utility profits, some other metric] to customers, with credits concentrated on customers struggling to pay energy bills or accumulating utility debt during the crisis. At least [60%] of this relief should be distributed to low-income and BIPOC communities. Provide this credit universally to all qualifying energy customers, without requiring application for benefits.
- Suspend all shut-offs for at least 6 months after the cessation of a public emergency orders and forgive all utility debt that accrued during the public emergency orders that remains unpaid 6 months after the cessation of those orders.
- Per MN Department of Labor and Industry (DLI), businesses are supposed to bring in as much outside air as possible, operate HVAC systems longer and install MERV 13 or greater filters. This will definitely be a cost increase to businesses that are already strapped. Utilities should consider creating discounts, particularly for smaller businesses/ those in low-income/BIPOC business corridors or business corridors impacted by social unrest due to the increased energy costs from increased ventilation and filter pressure? This winter will definitely impact natural gas use especially if relative humidity levels are

maintained at recommended levels. A discount might encourage more businesses to comply to these recommendations and help prevent the spread of the virus.

**Metrics/ Ways to measure progress:**

- Reduction in energy costs in zip codes/ census tracts (such as the Minneapolis Green Zones) with high BIPOC/ low-income populations that face increasing energy insecurity and pay a greater share of their incomes for energy
- Energy cost relief funds provided in zip codes/ census tracts with high BIPOC/ low-income populations (such as the Minneapolis Green Zones) that face increasing energy insecurity and pay a greater share of their incomes for energy

### **3. Enable Clean, Resilient, and Just Rebuilding:**

**High Level Goal:** Ensure that at least [60%] of recovery and rebuilding investments benefit BIPOC residents and BIPOC-owned businesses and that recovery and rebuilding is done in a way that creates resilience to future challenges, reduces local air pollution and health risks, and fights climate change.

**Purpose:** Though the conversations around systemic racism have become widespread in 2020, racial injustice has been exacerbated by our energy system for a long time. COVID-19 and the racial uprisings have only underscored this reality. BIPOC communities are exposed to more pollution, are minimally represented in the energy workforce, have less access to efficiency programs and clean energy, and are most vulnerable to climate change. If we build back to the way things were before, we would be recreating systems that reinforce racial inequity. We must rebuild in ways that reparate past and current harms to BIPOC; and in ways that heal both our planet and our communities. That looks like a lot of things, including but not limited to: Investments in affordable housing for small and BIPOC-owned businesses, low-income individuals, and renters; Investments that lower energy burden, contribute to healthy indoor and outdoor air quality, and reduce carbon emissions in line with the City's climate and energy goals; Create robust, holistic programs to serve multifamily buildings; Leverage relationships in the housing sector; invest in innovative programs that seek to address racial and economic disparities, like inclusive financing; make sure BIPOC communities and renters have access to community solar; and more.

**Activities and Outcomes:**

- Align resource allocation goals with demonstrated potential (e.g. explore options to expand upon its existing programs, such as Green Business Cost Share E-TAP and to reach under-resourced communities and communities of color with the necessary resources to help deploy energy efficiency and renewable energy projects in those homes and businesses)

- Create incentives for all-electric rebuilding, whether from utility CIP funds, utility non-CIP funds, or city franchise fee dollars (including rooftop solar). With Xcel's low-carbon commitments (and onsite solar), it's possible to imagine having net zero buildings within 10 years (and with solar, lower energy bills today) if we lay the groundwork now. Beyond reducing carbon emissions and creating a pathway towards 100% clean energy communities, this can also eliminate combustion sources of indoor air pollution.
- Consider how to address the insurance gap for necessary upgrades. Insurance only covers costs of replacing equipment as-is and does not provide for increasing energy efficiency or even bringing up to code. How can we ensure that rebuilding efforts can go above and beyond replacement and ensure the highest efficiency outcome is achieved?
- Help businesses damaged in the civil uprising address deferred maintenance needs. Many businesses and property owners who may have been saving up to address deferred maintenance in their HVAC systems now have likely wiped out their savings on other elements of their recovery. Deferred maintenance in general, and especially related to HVAC systems, is going to be a bigger issue than ever due to the intense financial strain facing the people who would be responsible for making upgrades to their commercial building systems. A combination of grants, rebates, donated labor or materials, low-interest or no-interest financing, and/or inclusive financing are going to be needed on the commercial side to address these issues. This is not a new issue, but the gap between what we want to see and what is possible for small commercial operators to do on their own has grown during the crisis, and strategies have to account for that.
- Advance sustainable building design beyond code and zero carbon energy system.
- Adopt tariffed on-bill financing or "Inclusive Financing," to provide a mechanism for low-income and BIPOC communities -- historically excluded from programs that benefit homeowners more than renters -- to fund cost-effective efficiency upgrades without burdensome upfront expense or significant debt.
- Support adoption of improved ventilation systems with heat recovery. In many buildings, ventilation (fresh air) and heating / cooling are coupled, so not only are there increases in energy use due to the ventilation, but all the incoming air needs to be reconditioned as the exhausted air just leaves the building. Ideally, buildings would have a separate heating / cooling air system with ventilation air that incorporates energy recovery (the exhausted air passes by the incoming air and pre-heats/cooling it), but this is not standard practice unfortunately. Some businesses do not even have ventilation throughout the building; some parts are just heated with electric baseboard heat, which is not only super expensive, but they don't have options for fresh air in the winter, instead just relying on leaks in the building envelope. Improved ventilation is super important right now for COVID safety, and heat recovery of ventilation is essential to reduce costs, local and indoor air pollution, and fight climate change. Adding that can be a pretty big capital expense, so incentives to create those changes are key for recovery.
- Consider incentives for replacing double pane windows that are broken with triple pane windows. Rebates do not currently seem to exist for this, and glass companies are so hurt by the economic downturn their charitable giving programs are dried up right now. While replacing windows is not in itself a huge energy saver, when windows HAVE to be replaced anyway, and the building envelope itself is more airtight and insulated than

code, triple pane windows actually make a major impact on not only energy performance but occupant comfort and even sound, particularly on busy street corridors.

**Metrics/ Ways to measure progress:**

- Dollars invested (and % of overall funds invested) in businesses either owned by members of BIPOC communities or whose BIPOC workforce, including leadership and management, significantly exceeds the BIPOC makeup of Minneapolis’s general population
- Reduction in particulate emissions in zip codes/census tracts where BIPOC populations significantly exceed state averages
- Amount of grants, rebates, or no-interest funding pools for individuals and organizations implementing community-based projects to increase access to conservation and clean energy in BIPOC communities
- Dollars invested via tariffed on-bill financing or “Inclusive Financing” and % of those dollars that benefit low-income and BIPOC communities.
- Idea: share of rebuilt buildings that are in the lowest quartile of energy consumption for utilities

## **4. Create a Racially Just Clean Energy Workforce:**

**High Level Goal:** Ensure that at least [60%] of clean energy job creation in Minneapolis creates meaningful and long-term career opportunities for BIPOC residents.

**Purpose:** The same communities that have been historically excluded from living wage jobs also are confronting the devastating economic impacts of COVID. The state of Minnesota found that BIPOC workers are more likely to hold jobs that are vulnerable to layoffs.<sup>7</sup> The Star Tribune recently reported that half of Black Minnesotans have lost work due to the pandemic.<sup>8</sup>

Any COVID-19 recovery effort must prioritize concrete and measurable investments in communities most affected by the economic downturn. Given the lack of racial diversity in the construction and electric utility industries,<sup>9</sup> the historical tendency to prioritize expediency in crisis situations and the inertia of centuries of power imbalances, any economic development ambitions of the Commission will not adequately benefit BIPOC Minnesotans without explicit and diligent intervention by the Commission.

Any projects approved for fast-track development by the Public Utilities Commission should have minimum hiring standards for BIPOC residents and prioritize economic development in communities most affected by the unrest and pandemic in 2020.

**Activities and Outcomes:**

- Use existing CIP and Green Business Cost Share programs and expanded relief and recovery funds to create clear and substantial demand [XXX number of new jobs???] for new hires in the green recovery, energy efficiency, and clean energy sectors and create requirements to ensure racially equitable hiring in these roles.
- Create geographically-accessible and culturally-grounded, renewable energy and conservation career training (ie. solar installers, engineers, energy efficiency auditors, etc.) within BIPOC, in particular Black and Indigenous, communities.
- Funding particularly for Black and Indigenous graduates (and qualified non-graduates) of these programs to assist them in establishing their general contracting license, worker cooperative, or other small energy business in order to organize their own teams to develop and rebuild their own communities.
- Ensuring jobs created by these investments are high quality jobs with family sustaining wages, a safe workplace, and health care, sick leave, child care and family leave benefits.
- Transportation and lodging for BIPOC workers for projects that are not in proximity to BIPOC communities.
- Recruiting for training in green jobs for formerly incarcerated community members who, because of legacies of racist criminalization, are disproportionately BIPOC.

#### **Metrics/ Ways to measure Progress:**

- Number of BIPOC workers from Minneapolis employed by new energy relief and recovery activities, including how many of those workers have leadership or management roles
- Number of BIPOC workers promoted into higher pay grades and classifications (e.g. moving apprentices to journeyman classifications)
- Number of BIPOC workers provided with path to ownership opportunities (e.g. paying for workers to attend worker-cooperative trainings and small business trainings)
- Participation rates of BIPOC workers *before* and *after* transportation and lodging are provided to BIPOC workers for projects that are not in proximity to BIPOC communities