

E X E C U T I V E S U M M A R Y

Building a Just Energy Future

**A FRAMEWORK FOR COMMUNITY CHOICE
AGGREGATORS TO POWER EQUITY AND
DEMOCRACY IN CALIFORNIA**



LILIAN BELLO FROM THE PUENTE POWER PLANT CAMPAIGN IN OXNARD

Overview

Due to a long history of poor planning and neglecting equity, our energy system is not resilient enough to handle increasing climate disasters like wildfires and extreme heat. Such disasters are straining our electric grid and resulting in blackouts, shutoffs, and increased pollution that hurt disadvantaged, low-income, and vulnerable community members first and worst. While the climate crisis exacerbates these dangers, inequitable policies and practices have made them far worse, and threaten to keep California from meeting its statewide climate, air quality, equity, and energy commitments.

Environmental justice (“EJ”) communities suffer the most from the current energy system. In addition to being at the frontlines of pollution and climate disasters, these communities face the highest energy burden and are often not able to participate in the energy decisions that impact them and their families. This is a failure for the climate and a failure for equity. As California plans to take meaningful steps to improve grid reliability and resilience and transition to clean energy, environmental justice communities must be placed front and center.

The opportunity presented by an energy system that is truly equitable and democratic not only has a moral value, but also a practical value that ensures that frontline communities craft a future that works best for them and by them. An energy system that meets our statewide goals and centers equity in the process will not only replace the outdated, anachronistic systems, but with its community-led design, will enjoy much wider support.

What are Community Choice Aggregators?

Community Choice Aggregators (CCAs) have the potential to provide a framework for centering environmental justice communities in the energy system and empowering community-led decisionmaking. For decades, most of California's energy was purchased and sold by investor-owned utilities (IOUs), which are private companies operated in large part by shareholders. CCAs, on the other hand, are formed by local city and county governments agreeing to purchase energy for their jurisdiction. CCAs are governed by boards of elected officials who are supposed to engage communities and allow them to lead. More than 10 million residents will likely fall within the jurisdiction of CCAs in upcoming years. This comes with both challenges and opportunities.

CCAs have the potential to help California achieve its climate and economic goals, and provide an opportunity to redesign the energy system with far-reaching benefits for customers, ratepayers, and EJ communities. However, this outcome is not guaranteed. As the California Alliance for Community Energy states, left to its own devices, a Community Choice program can “become just another rigid, business-as-usual bureaucracy that’s out of touch with the needs of the community it serves, perhaps only marginally better than the competing investor-owned utility.”

This concern and this opportunity led the local and grassroots environmental justice organizations of the California Environmental Justice Alliance (CEJA) to develop this report, which offers community-led best practices for CCAs and other energy entities to begin a process to achieve energy equity and energy democracy.

The fundamental cornerstones for accomplishing this are: **ensuring meaningful and active engagement with communities; prioritizing and protecting the most impacted populations; maximizing transparency and accountability; and driving decision-making through robust community input.**

Key Recommendations

COORDINATION WITH LOCAL COMMUNITY-BASED ORGANIZATIONS

- Community-Based Organizations (CBOs) are trusted leaders in their communities and are often the best positioned to effectively conduct outreach.
- CBOs can help ensure that information is understandable and accessible to community members, provide translation and interpretation at meetings, and co-host meetings in familiar locations.
- Providing CBOs with sufficient resources is critical for facilitating partnerships and outreach by CBOs.
- Relationships with CBOs should be ongoing and continuously improved over time.
- CCAs should value CBOs' time and expertise as formal partners.

ACCESSIBLE INFORMATION AND OUTREACH

- Accessible information and outreach are necessary to ensure that communities understand decisions and can provide input to shape those decisions.
- Information should be accessible, transparent, and responsive to the community.
- Outreach should employ various methods including workshops, virtual webinars, and presentations at existing community meetings or events; provide resources to community members to ensure participation; and be coordinated and facilitated with the community.
- CCAs should ensure that input from communities and from community advisory committee members drives decision-making and is fundamental to the decision-making process.
- Outreach efforts should be assessed for their accessibility and quality of engagement to determine ways to improve them.

COMMUNITY-DRIVEN LOCAL PROGRAM DESIGN

- CCAs should ensure that programs are designed to provide resilient, flexible, and responsive community-oriented solutions supported by effective energy democracy principles.
- Decision-making for local program design should be community-driven and prioritize Environmental Justice (EJ) communities.

Local program design should consider: increasing access to jobs with living wages and economic opportunities for the community; development of local, renewable, and clean energy resources; procurement of renewable and clean energy resources that reduce air pollution and greenhouse gases; building community resilience to climate change-related impacts (e.g., power outages); protections for low-income ratepayers; and clear and transparent emergency programs in multiple languages to assist community members when emergencies (such as the COVID-19 pandemic) arise.

- CCAs should proactively design programs to meet the needs of EJ communities, and should provide technical assistance or support staff to assist EJ communities with applications for programs.
- CCAs should develop ways to prioritize the needs of EJ communities in their program design.
- CCAs should develop clear ways to evaluate EJ community priorities throughout the procurement process.



CEJA MEMBERS DOING LOBBY VISITS AT THE CA STATE CAPITOL

TRANSPARENT DECISION-MAKING

- All members of a community should be able to meaningfully participate in the decision-making processes that impact their lives.
- CCAs should take steps to eliminate cultural and language barriers.
- CCAs should take steps to promote broad and balanced participation by: ensuring access to technology used in the decision-making process, providing training in technology, and making language and sign interpretation available at all meetings.
- Decisions must be made in a way that is open, inclusive, and transparent. CCA decision-making meetings should be accessible, understandable, and open to the public.
- The decision-making process should allow for input to be given in a variety of formats and languages.
- CCAs should conduct meaningful outreach prior to these meetings and provide agendas and supporting resources for community members before the meetings take place. CCAs should make efforts to ensure that information about meetings is widely available by taking steps such as broadcasting the meetings on a local channel.
- CCAs should reflect the diversity of the community.

LOCAL AND STATE ACCOUNTABILITY

As representatives of local entities, CCAs should strive for accountability to the communities they serve, which includes representing community concerns as best as possible. At the same time, CCAs should be held accountable to meet statewide climate, environmental, and equity mandates. CCAs are a critical partner in ensuring that California meets its air quality and greenhouse gas goals and requirements.

To ensure local accountability, CCAs should:

- Adopt policies and requirements for energy equity and democracy.
- Conduct trainings on environmental justice.
- Provide clear and transparent information, assessment, and reporting.
- Provide opportunities for community members to participate in an advisory position on the CCA board.

To ensure state accountability, the following should be considered:

- The development of a statewide CCA organization that provides oversight and guidance on energy equity and democracy.
- Legislation that allows for CCA administration and statewide oversight of low-income programs.
- Requirements for CCAs to prioritize Disadvantaged Communities (DACs) and statewide environmental justice oversight.



About this Report

This report is an evaluation of how Community Choice Aggregators and utilities, in general, could implement an energy democracy framework for centering environmental justice communities in the energy system and empowering community-led decisionmaking. CCAs can be a model for energy equity and energy democracy by instituting policies and requirements regarding transparency, accountability, outreach, and a strong commitment to EJ community priorities. Several CCAs have already developed practices and programs to institute these policies, while others have not yet done so.

The goal of this report is to provide input for best practices, based on the recommendations of environmental justice communities. The report was informed primarily through feedback and input from

the environmental justice community member organizations of CEJA. It was also informed through input received in meetings with allies and partners, including CCA staff and clean energy advocates, though the findings and recommendations should not be attributed to organizations outside of CEJA.

These recommendations from our CEJA member and partner organizations are designed with our current best available information and experiences, which we hope will continue to evolve. Thus, the recommendations in this report are designed to represent the beginning of an iterative process in which community-based organizations, CCAs, environmental justice communities, clean energy allies, and other stakeholders can reach further conclusions and recommendations.

WORKING DEFINITIONS

CALENVIROSCREEN: CalEnviroScreen is a mapping tool that helps identify California communities that are most affected by many sources of pollution, and where people are often especially vulnerable to pollution's effects. CalEnviroScreen uses environmental, health, and socioeconomic information to produce scores for every census tract in the state.

The scores are mapped so that different communities can be compared. An area with a high score is one that experiences a much higher pollution burden than areas with low scores.

CalEnviroScreen ranks communities based on data that are available from state and federal government sources. (Cal. OEHHA)

CLEAN ENERGY PROGRAM: A program focused on developing clean, renewable resources such as solar and wind energy combined with energy storage, energy efficiency, and demand response resources.

COMMUNITY-BASED ORGANIZATION: An organization that interacts with members of the community and are often located in the neighborhood.

COMMUNITY CHOICE AGGREGATOR: Programs that allow local governments to offer procurement service to electric customers within boundaries. (Cal. Public Utility Commission)

ENERGY DEMOCRACY: Frames the international struggle of working people, low-income communities, Asian and Pacific-Islander, Black, Brown and Indigenous nations and their communities to take control of energy resources from the energy establishment and use those resources to empower their communities literally (providing energy), economically, and politically. It means bringing energy resources under public or community ownership and/or governance—a key aspect of the struggle for climate and energy justice, and an essential step toward building a more just, equitable, sustainable, and resilient economy. (Fairchild, Denise and Weinrub, Al. Energy Democracy: Advancing Equity in Clean Energy Solutions)

ENERGY EQUITY: The goal of achieving equity in both the social and economic participation in the energy system, while also remediating social, economic, and health burdens on those historically harmed by the energy system. (Initiative for Energy Justice)

ENERGY DISTRIBUTION: The interconnected lines that carry electricity from the transmission system to individual households.

ENERGY PROCUREMENT: The act of purchasing or buying energy through either a contract with an existing resource or constructing a new resource.

ENERGY TRANSMISSION: The interconnected lines that facilitate the movement of electricity from a generation station, such as a large solar facility, to an electrical substation.

ENVIRONMENTAL JUSTICE (DISADVANTAGED) COMMUNITIES: Disadvantaged communities refers to the areas throughout California which most suffer from a combination of economic, health, and environmental burdens. These burdens include poverty, high unemployment, air and water pollution, presence of hazardous wastes as well as high incidence of asthma and heart disease. (Cal. OEHHA, Cal Public Util. Commission)

INVESTOR OWNED UTILITY: These firms participate in all aspects of the power markets value chain, including generation, transmission, and load aggregation. These firms operate for-profit and have legal monopolies in their service territory. In trade for their monopoly status, they have an obligation to serve all customers in their territory, and are subject to economic regulation. (Berkeley Lab)

PUBLICLY OWNED UTILITY: These utilities are typically non-profit and owned by the local government or the ratepayers themselves. See, for example, the California Energy Commission's comparison of IOUs and POUs across a variety of functions and metrics. Municipally Owned Utilities or Municipal Utility Districts (MOUs or MUDs) are operationally similar, but are sometimes listed separately in statistics. (Berkeley Lab)

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Note: The findings in this report do not represent the opinions of the individuals and organizations outside of CEJA who participated in the meetings and discussions leading to this report. While these meetings and discussions informed the report, the findings reflect the collaborative views of CEJA organizations.

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Center on Race, Poverty & the Environment

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