

**“Climate Change: Preparing for the Energy Transition.”**

***Testimony of Chandra Farley, Just Energy Director, Partnership for Southern Equity before the House Subcommittee on Energy and Mineral Resources***

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We know with data-informed certainty that systematically disenfranchised, under-resourced communities and communities of color in the South bear a disproportionate burden of the negative impacts of the changing climate and carbon-based energy production. Three of the top five biggest carbon polluters in the power sector are in the South where investments in consumer-directed clean energy continue to lag. This is compounded by the fact that four southern cities - Memphis, Birmingham, Atlanta and New Orleans, hold the greatest energy burdens for low-income households but face many barriers to the energy efficiency programs that can reduce these high burdens. Also, the Southeast regions serve as home to 84 percent of all U.S. counties that experience persistent poverty (defined as a county in which at least 20 percent of the population experiences poverty for three decades or more). Pile on the fact that the South experiences a higher frequency of billion-dollar weather and climate disaster events than any other region, we begin to contextualize the constant struggle and mounting barriers that historically under-resourced and marginalized communities face in this era of changing climate and energy transition.

Despite bearing an inequitable proportion of negative impacts due to climate change and carbon-based energy production, disenfranchised communities are virtually unrepresented in the energy planning and decision-making processes that drive inequitable outcomes in energy regulation, distribution and policy. While unfamiliar to many citizens, these policies significantly impact household economic stability and impinge upon the overall quality of our air, water and other natural resources that affect our health and well-being. This is evidenced by a report from the NAACP noting that 68 percent of African-Americans live within 30 miles of a coal-fired power plant. In addition to lower property values, proximity to these coal plants carries health risks such as increased infant death, heart disease, lung disease, asthma attacks and asthma associated deaths. Plus, the disproportionate impacts reach the healthcare and education sectors as emergency room visits, hospitalizations and missed school days (that leads to missed work and job insecurity for parents) all increase due to these harmful, life-threatening emissions.

Adding to the worsening impacts of climate change is carbon-based energy production. Climate change pressures on the energy system result in increased demand for electricity as heatwaves worsen, power failures caused by storms and flooding increase and system failures and inefficiencies caused by extreme heat mount. These shocks and stressors are exacerbated by the destruction of local economies due to short-sighted, extractive practices by the coal, oil and gas industries. With fossil fuels still supplying nearly two-thirds of the United States' electricity, the increased demand will increase the carbon emissions that disproportionately impact marginalized communities.

Directly related to the health and well-being stressors of carbon-based energy production is the rising cost of energy. The resulting “energy burden,” or percentage of household income spent on energy bills, is a crippling financial burden for families with lower incomes. According to the American Council for an Energy-Efficient Economy (ACEEE), the energy burden on African-American and Latino households with lower incomes is up to three times as high as other homes. In my home state of Georgia, nearly 300,000 households with incomes of below 50 percent of the Federal Poverty

Level pay 41 percent of their annual income for their home energy costs. When you consider that the median U.S. energy burden across the cities in the ACEEE sample was 3.5 percent, we can see the paralyzing effects of increasing energy costs on family’s ability to thrive. With limited funding for weatherization assistance programs and financial barriers to cost-saving energy efficiency upgrades, the mounting costs of energy bills translate to unimaginable choices for working families and senior citizens. Do you pay the light bill and go without your medicine? Do you buy groceries or heat your home?

## Equity is top of mind for a reason



Atlanta has the 4<sup>th</sup> highest energy burden in U.S.

(energy burden = % of household income spent on electricity + natural gas)

### Burden highest in low-income neighborhoods

**\$245/month:** monthly utility bill for **\$26,000** household income (11.3% burden)

**\$330/month:** utility expenses for **\$90,000** household income (4.4% burden)

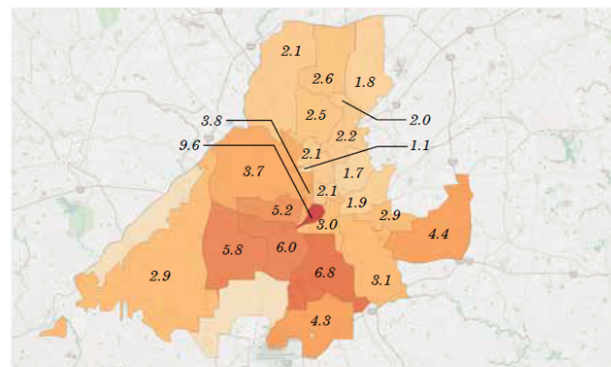


Figure 1: City of Atlanta energy burden Source: Farley, C., Garret, C., & O’Neil, M. (2018). Atlanta: Equity and Policy Overview. Presentation, New York, New York.

Collectively, these conditions stem from the underlying forces of structural and institutional racism that are embedded in our land-use policies and energy systems – from the siting of carbon-based energy production and the resulting negative health impacts, to the disproportionate burden of rising energy costs on under-resourced communities and communities of color. Against the backdrop of global climate change, a reckoning with the South’s history of racial inequality is driving equity and justice to the forefront of the energy transition narrative.

In order to frame the intersection of race and energy and act on the resulting inequitable impacts, the Partnership for Southern Equity (PSE) created the Just Energy Initiative to focus on energy equity. Founded in 2008, PSE was established to advance policies and institutional actions that promote racial equity and shared prosperity for all in the growth of metropolitan Atlanta and the American South – a region riven by racial, economic and class disparities. While equal rights under the law, or equality, have afforded many opportunities to those previously denied “certain unalienable rights,” an equity agenda works to combat these disparities and advance just and equitable outcomes that are sensitive to the needs and circumstances of disenfranchised populations. As one of four strategic focus areas including equitable development, economic inclusion and health, PSE defines “energy equity,” or Just Energy, as the fair distribution of the benefits and burdens from energy production

and consumption. Utilized as a framework for mobilizing advocacy around energy equity issues, individuals, businesses and organizations representing frontline communities, subject-matter experts, houses of worship, youth movements and academia are working together and organizing to forge collective action towards a more equitable, inclusive, clean energy future for all.

Certainly, advocacy for energy equity and climate justice issues focused on the South are gaining an increasing amount of attention in the public, private and philanthropic sectors. However, our frontline communities must quickly learn to advocate on their own behalf as many traditional environmental conservation institutions struggle to make inroads because they often lack the cultural competency to authentically confront the South's history of racial supremacy and exploitation. Centuries of oppressive power structures have stifled even modest attempts by communities of color to organize, generating an inherent mistrust of anyone seeking to do so even within communities much in need of advocacy. These societal barriers have hampered the opportunity for marginalized communities to lend their perspective to the shaping of their clean energy future and fully benefit from rapidly expanding clean energy markets. For instance, only seven percent of solar workers in 2017 were African-American while the percentage of solar workers in the U.S. grew 168 percent since 2010 according to The Solar Foundation. On the deployment of solar technology itself, a report published in the Nature Sustainability journal found that census areas with over 50 percent African-American or Hispanic populations have close to 40 percent less solar panel installations than white-majority census tracts, even when controlling for household income. These examples further demonstrate the impact of societal barriers on the ability of marginalized Americans to access clean energy benefits such as lower bills, more jobs and cleaner air.

By highlighting the inequities present across the energy sector and connecting the dots between energy, racial injustice, economic disinvestment, health disparities and other associated equity challenges, PSE has been able to organize with community to channel their civic power for energy equity advocacy. Strengthened by the deep relationships resulting from the organizing as well as education and engagement, coalition building and leadership development offerings, PSE is building a "Southern Equity Ecosystem" positioned to connect, educate, and build power with all who support a just and equitable transformation of the energy sector. A sector that no longer depends on the extreme extraction of human, natural and economic resources from distressed communities, but one that supports a regenerative, clean energy economy rooted in shared principles of social, environmental, economic and racial justice.

To advance this reality, the Just Energy Circle (JEC) anchored by PSE was created in 2013. The mission of the JEC is to build power with communities and encourage participation in developing clean energy solutions that benefit everyone. The JEC also seeks to inspire new, diverse, authentic leadership that is recognized in prominent decision-making positions in both civic and private sectors. We aim to establish structures that ensure clean energy opportunities are available to all, including low-income protections, fair prices, freedom from negative health impacts and access to thriving wage employment. We represent an equity ecosystem of diverse business, political, and community representation and interests. We believe that this approach is central to the energy equity movement and that the future of our communities is dependent upon "Just Energy" for all.

Building upon this vision, the JEC is guided by the following principles:

- We believe that community partnerships are vital for the equitable progression towards self-sufficient people and neighborhoods.
- We believe in access to high-quality energy at a fair price for all.

- We believe in transformational relationships and sustainable solutions for ever-pressing issues in the American South.
- We believe in transparency and accountability for energy providers and policymakers.
- We believe that equity is the superior growth model for the American South.
- We believe in honoring the idea that all people must have a part to play in our emerging clean energy economy.
- We believe in utilizing and leveraging a combination of the best field and scientific research to find the best energy solutions.

Amplifying the knowledge shared amongst our partners, we work collaboratively to build political and community capital to champion the racial, social, environmental and economic benefits that clean energy investments can produce when centered in equity. Many organizations committed to advancing more equitable outcomes have fought hard for national, state and local level climate and energy policies designed to lower energy costs, strengthen local economies and build healthier, more resilient communities. However, first and most impacted communities remain the least likely to benefit from the clean energy advancements and energy efficiency policies and programs that can reduce the burden of rising energy costs and offset the harmful effects of climate change and carbon-based energy production.

As demonstrated by the generational consequences and disproportionate burdens of energy policy decisions, the South is undoubtedly on the frontlines of struggles for climate justice, economic justice, racial justice, and inclusive democratic participation. Nevertheless, communities spanning from the Gulf Coast to Appalachia continue to advance equity and opportunity through education and engagement on energy, climate and environmental justice. As the subject-matter knowledge base grows across the region, so does the number of well-informed, first-person advocates prepared to mobilize for expanded investment in clean energy, energy efficiency and other renewable energy strategies that support economic development for low-wealth communities.

Without a doubt, preparing for the energy transition must also address the harmful, disproportionate impacts of climate change and carbon-based energy production. Especially in the Southeast, which is at significant risk to four particular climate change-related hazards: drought, flooding, hurricane force winds, and sea-level rise. But what about the energy system itself? How will we truly be able to confront the systemic disenfranchisement and under-resourcing of communities of color without addressing the underpinnings of the energy system as a whole?

Any equity-centered climate solutions strategy must include the democratization of our energy systems. Energy democracy is a foundational component of a just and equitable transition from a carbon-based energy economy to a regenerative, clean energy economy grounded in racial, economic and social justice. Energy Democracy is centered on the premise that you can't build a new energy economy on an old energy model. As discussed in the book *Energy Democracy: Advancing Equity for Clean Energy Solutions*, we must not only champion the technological strategies that will decarbonize the energy system, but we must also transform the system itself. Nathaniel Smith, the founder and Chief Equity Officer of PSE defines true equity as a way, not a what. In this vein, we understand that clean energy for all is but one step on the journey towards a decentralized energy system built upon the principals of cooperative economics and community-based decision making for resource allocation. Ultimately, this community-determined, energy equity ecosystem will strengthen household economic stability and build healthier, wealthier communities.

Now more than ever, it is time for an intentional expansion of the South's civic engagement infrastructure to ensure authentic inclusion at all points of the energy transition. Historically disenfranchised, under-resourced communities and communities of color are increasingly hungry to speak and act; not only for transition, but transformation of the energy system. We stand ready to wield our civic power in demand of equitable access to the benefits of the clean energy economy. The future of our communities is dependent upon "Just Energy" for all.

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