

Equitable Building Electrification

A Framework for
Powering Resilient Communities

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Executive Summary

Building electrification is gaining traction as California's most affordable and effective tool to reduce greenhouse gas emissions from homes and buildings—responsible for roughly a quarter of the state's emissions. Electrification can provide environmental and social justice communities access to the major benefits such as cleaner air, healthier homes, good jobs and empowered workers, and greater access to affordable clean energy and energy efficiency to reduce monthly energy bills, while helping the state meet its climate goals, including a net-zero carbon economy and 100 percent clean electricity by 2045.

Meanwhile, the cost of safely maintaining California's gas system is set to escalate dramatically in coming years as increasing infrastructure costs and safety upgrades combine with a decline in demand as the state transitions away from fossil fuels to hit its climate targets.

The result will be higher costs spread around fewer customers - leading to significantly higher gas bills and prompting those with the means to do so to move off the system for financial, health, and environmental reasons. As this trend continues, gas customers who face barriers to electrification will need assistance to move to cleaner electric appliances to help shield them from the rising cost of gas.

While electrification has promising benefits for residents and for the state, the rollout of policies at both the local and state level must be undertaken equitably. Decisionmakers must ensure that environmental and social justice communities are supported to transition to all-electric homes and are given opportunities to weigh in on when and how this transition happens, rather than being left with polluting and increasingly expensive gas appliances.

A Public Utility Commission pilot program currently underway in the San Joaquin Valley illustrates what successful community-driven electrification decision-making can look like in practice.

The Equitable Building Electrification Framework was developed to address the opportunities and challenges that electrification presents for low-income communities - 70 percent of whom are renters. The framework finds that electrification can be a transformative force for low-income residents and it explains the steps the state must take to ensure that electrification helps close the clean energy gap in California and provides relief to millions of residents facing energy insecurity in the current system.

What Is Building Electrification?

- Building electrification means eliminating use of fossil fuels for functions like heating and cooking and replacing gas appliances with alternatives that use electricity. In California, 25 percent of our greenhouse gas emissions come from the buildings we live and work in. As our electric grid gets steadily cleaner, building electrification can play a big role in fighting climate change.
- Electrifying our homes also has major health benefits. Burning gas releases nitrogen oxides and particulates, which can have serious health consequences.

Environmental and Social Justice Communities

The California Public Utilities Commission defines Environmental and Social Justice (ESJ) Communities as communities where residents are:

- predominantly people of color or living on low incomes;
- underrepresented in the policy setting or decision-making process;
- subject to disproportionate impact from one or more environmental hazards;
- likely to experience disparate implementation of environmental regulations and socioeconomic investments; and
- living in disadvantaged communities, tribal lands, low-income households, and low-income census tracts.

These communities, often largely composed of renters, have been left out of California's push toward clean energy solutions.

Ensuring that this pattern of neglect is not repeated in building electrification will require conscious policies designed to make the electrification process equitable.

Equitable Building Electrification Framework

This five-step framework presents a start-to-finish recipe for how the current goals of building electrification can be aligned with producing healthy homes, creating high quality, local jobs that cannot be outsourced, and establishing stronger connections between everyday Californians and our climate change policies and goals.

- **Step 1: Assess the Communities' Needs.** This should include understanding barriers preventing community members from electrifying their homes, residents' knowledge levels regarding building electrification, and their specific needs, wishes and concerns.
- **Step 2: Establish Community-Led Decision-Making.** Rich community input and engagement strengthen the overall program design quality with stronger cultural competence, ensure local buy-in and investment, and deliver tangible local benefits rooted in the lived experiences of everyday people. Partner with community-based organizations to develop a decision-making process that ensures that decisions are based on community needs and priorities.
- **Step 3: Develop Metrics and a Plan for Tracking.** Metrics should include both clean energy benefits like greenhouse gas reductions and community benefits such as local hires and residents' ability to pay their energy bills without sacrificing other essential expenses.
- **Step 4: Ensure Funding and Program Leveraging.** Current low-income energy programs often fail to deliver maximum benefits to all qualifying households due to short and unpredictable funding cycles, poor program design that inadequately reaches qualifying customers, or lack of coordination and integration with complementary programs.
- **Step 5: Improve Outcomes.** Using the tracking and metrics plan described above, ensure that there is a continuous feedback loop to improve current and future programs' reach and impact in ESJ communities. Consider adjustments to ensure the program reaches the people it seeks to reach and delivers the intended benefits.

Together we can create the foundations needed for a just transition within the work to come on building electrification, but it will require deliberate and inclusive actions. This document can be used by anyone interested in solving problems with a fresh perspective, removing barriers to participation in the clean energy economy, and bringing communities together around shared goals.

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