PRIMER MAXIMIZING COMMUNITY CO-BENEFITS THROUGH CLEAN ENERGY PROCUREMENT





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OVERVIEW

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PURPOSE

Through their funding and engagement in Beyond the Megawatt (BTM), energy customers have made a <u>clear commitment</u> to advancing social equity, environmental sustainability, and resilience through their clean energy procurement. The **Maximizing Community Co-Benefits Through Clean Energy Procurement** primer focuses on social equity and provides guidance on social co-benefits — defined as positive community outcomes that complement the emissions-reduction benefits from clean energy projects.

While BTM is developing resources focused on upholding human rights across the supply chain, this primer will focus on downstream issues — primarily attributed to co-benefits that can be pursued at the project site or throughout the project's operations. Most of the primer is focused on opportunities in the U.S., but one section centers on advancing co-benefits for under-resourced communities across the globe. Future BTM resources will expand on supply chain justice and global procurement.

INTENDED AUDIENCE

Energy customers who are committed to pursuing social co-benefits through their clean energy procurement, energy and service providers who are interested in supporting the advancement of social co-benefits as part of their business model, and nongovernmental organizations (NGOs) that may be interested in partnering with industry stakeholders to support these initiatives.

ABOUT THE BTM EQUITY PILLAR

The BTM Equity Pillar aims to advance diversity, equity, inclusion, and justice (DEIJ) across the life cycle of clean energy projects procured by corporate and other leading energy customers. By engaging with influential energy customers, energy providers, service providers, and NGOs, BTM aims to persuade the voluntary market to advance social equity while driving down emissions.

AN EQUITABLE AND JUST DECARBONIZED GRID FOR ALL

AN EQUITABLE AND JUST APPROACH IS NECESSARY TO ENSURE THAT THE BENEFITS OF THE CURRENT CLEAN ENERGY TRANSITION ARE SHARED WITH HISTORICALLY

MARGINALIZED COMMUNITIES. The <u>final installment</u> of the Intergovernmental Panel on Climate Change's Sixth Assessment Report (AR6) recognized, with high confidence, that prioritizing equity and justice is vital to meeting ambitious climate mitigation and resilience goals on a global scale.

Historically marginalized communities across the world are most significantly impacted by climate change while contributing the least to emissions. In the U.S., disparities in income and race are strong contributors to climate vulnerability; Black communities are 40% more likely to live in areas with the highest projected increases in extreme temperatures, and Latinx communities are 43% more likely to live in areas with the highest projected reduction in labor hours due to extreme temperatures. Energy burden, the percentage of income spent on energy costs, is highest in low-income communities and communities of color, while deployment of solar has disproportionately benefited higher-income households. If a carbon-free energy system for all is the goal, no community can be left behind.

Early and inclusive community engagement coupled with co-created co-benefits are important mechanisms to achieve a social license to operate in communities and avoid <u>restrictive ordinances</u>. While deep engagement may appear more costly and time-consuming up front, it can help address costs from <u>potential project delays and opposition</u> in the long run.



ASSESSING READINESS AS AN ENERGY CUSTOMER

If designed with intention, clean energy projects can support quality job creation, community wealth-building, and community resilience. Making a commitment to advancing social co-benefits as part of clean energy procurement requires building a strong foundation of organizational support.

Initial questions for energy customers to consider include:

- How does DEIJ fit into your company goals, and how can social impact enable your company's vision and mission?
- Are the time and resources needed to evaluate and pursue social impact projects valued by your company's leadership and decision-makers?
- Is capacity available to support strong community engagement and to measure and evaluate co-benefits during clean energy project planning and across operations?

A positive response to these questions will lay the groundwork for success and mitigate setbacks. Initial uncertainty from key stakeholders across this assessment provides an opportunity to lead in <u>influencing</u> your organization to be a market leader in equitable clean energy development by tying business objectives to enterprise risk management. This is also an opportunity to point out the advantages of acquiring a social license to operate through a social co-benefits approach.



KEY CONSIDERATIONS FOR ENERGY PROVIDERS AND CUSTOMERS

COMMUNITY ENGAGEMENT

Due to historic and systemic injustice, historically marginalized communities have experienced harm and exclusion from past policies and infrastructure development. A strong foundation of support and resources for this work should be complemented with early and inclusive community engagement. This process can aid in trust-building and ensure that co-benefits are planned with community stakeholders.

Stakeholders with direct ties to and knowledge of local communities are essential partners in engagement. Developers must invest in community engagement best practices and bring onboard professionals who know how to seek community input and embed feedback into the development process. Partnering with a local organization with experience and established trust in that community can facilitate successful efforts. Community engagement practices should engage stakeholders from the very beginning of project planning, reduce barriers to participation, ensure transparency on how their input will be used and incorporated, and provide ongoing updates and accessible mechanisms for feedback throughout the project life cycle.

<u>Free, Prior, and Informed Consent</u> (FPIC) is centered on the principle that Indigenous Peoples and local communities should be informed and engaged prior to any project action, and collective consent should be achieved without intimidation or coercion. Best practices for FPIC are applicable across all project-affected communities and provide strong foundational principles for upholding human rights in development.

Dedicated efforts for meaningful engagement will ensure that any plans for co-benefits will be co-created and approved by key community stakeholders. In collaboration with Microsoft, <u>Just Transition PowerForce</u> developed an <u>Environmental Justice Measurement and Evaluation Framework</u> for how to ensure co-benefit project processes align with key environmental justice principles.

IMPACTFUL SITING

Clean energy projects can create long-term, transformative, and trans-generational co-benefits across the project life cycle. Since co-benefits are traditionally created for the community where the project is sited, a project can better center equity and advance community resilience by intentionally siting in communities that have been <u>underserved and overburdened by socioeconomic and environmental injustice</u>.



EMISSIONALITY AND COMMUNITY HEALTH

With the emergence of <u>next-generation</u> procurement that maximizes emissions reduction, a focus on additionality and emissionality is becoming a larger priority for energy customers. While this is an important strategy for optimizing decarbonization, it is also a way to center environmental justice in procurement through the co-benefit of air pollution reduction. The particulate matter (PM) from burning fossil fuels is causing an <u>estimated 8.7 million premature deaths per year worldwide</u>, representing around 18% of deaths per year. The impacts from PM emissions <u>disproportionately burden communities of color</u> and low-income communities in the U.S. and <u>communities living in low- and middle-income countries</u> across the world. A Renewable Energy Certificate (REC) from a project located in a carbon-intensive grid will have significantly more impact than an REC from a project located in a cleaner grid.

Impactful siting can also involve developing clean energy projects in communities that have been previously affected by oil and gas development or closures and other industrial hazards, such as landfills or manufacturing. Assessing the avoided life cycle emissions and impacts on human health and ecosystems is essential for identifying clean energy projects that make the most impact and create a vast opportunity for co-benefits through a reparative justice approach.

REVENUE GENERATION FOR COMMUNITIES OF COLOR

Developing projects on land owned by people of color is another opportunity to create ongoing revenue and increase community capacity. Agrivoltaics — the co-location of solar energy installations and agriculture — is an emerging practice that can mitigate land-use concerns with clean energy development. Over the past century, there has been a significant decline in Black farmers in the U.S., from 14% to just over 1%, and they face disparities in federal assistance. An intentional outreach and collaboration process with underrepresented farmers can create equity-centered revenue-generating opportunities. The National Renewable Energy Laboratory (NREL) reports that tribal lands constitute approximately 5.8% of the total U.S. land base yet represent an estimated 6.5% of the total U.S. utility-scale clean energy technical potential. This presents a valuable opportunity to create mutually beneficial partnerships and wealth generation for tribal communities, who currently receive 0.4% of philanthropic dollars in the U.S. Working with a Native-led organization and/or developer can facilitate this process.



In cases where purchasing or developing a project that meets these siting criteria is not possible, energy providers and customers may still pursue an equitable approach. This could be accomplished by expanding the geographical boundary of their community benefits plan to provide co-benefits for historically marginalized communities experiencing disproportionate energy burden or pollution exposure. Providing financial support through a community impact fund, which is outlined in more detail below, would be one way to achieve this.

The U.S. Inflation Reduction Act (IRA), expected to provide federal funding over the next decade, supports impactful siting opportunities through tax incentives in "<u>energy communities</u>" that have been affected by coal closures and are facing economic hardship. The IRA also includes <u>environmental justice incentives</u> for clean energy development on tribal lands and low-income communities.

LAYING THE GROUNDWORK FOR SUCCESS: RESOURCES AND EXAMPLES		
Defining Energy Equity and Justice	 Initiative for Energy Justice Energy Equity Project American Council for an Energy-Efficient Economy (ACEEE) 	
Best Practices for Community Engagement	 Spectrum of Community Engagement to Ownership NAACP Guidelines for Equitable Community Involvement Emerald Cities Collaborative (ECC) Anchor-Community Engagement Workbook Equitable Origin's FPIC 360° Tool 	
Emissionality and Community Health	 <u>Clearloop — Renewable Energy in Carbon-Intense Grids</u> <u>RMI — Clean Energy Development on Brownfields</u> Project Examples: <u>Sunnyside Landfill Redevelopment in Houston</u> and <u>BrightNight</u>, <u>Rivian</u>, and The Nature Conservancy Starfire Coal Mine Redevelopment in Kentucky <u>Quantum Energy — Evaluate Health and Ecosystem Life cycle Impacts of Clean Energy Development</u> <u>Planet Reimagined — A Case for Co-Locating Wind and Solar Power on Federal Oil and Gas Land</u> 	
Revenue-Generating Opportunities for Communities of Color	 Alliance for Tribal Clean Energy Black Farmers' Collaborative GRID Alternatives — Tribal Solar Accelerator Fund Red Cloud Renewable SAGE Development Authority for the Standing Rock Sioux Tribe Navajo Power Seneca Solar 	

MECHANISMS FOR PURSUING SOCIAL CO-BENEFITS

The co-benefits of clean energy projects like wind and solar are traditionally associated with <u>direct</u> <u>payments to landowners</u> and <u>tax revenue for local governments</u> that can be used for infrastructure upgrades or other community benefits. For the purposes of this primer, the key mechanisms discussed for approaching co-benefits will extend beyond this to include 1) cosigned community agreements, 2) community impact funds outlined in contract language, and 3) distributed energy or community solar projects that have a social impact model.

COMMUNITY AGREEMENTS

Social co-benefits can be approached through Community Benefit Agreements (CBAs) or Community Workforce Agreements (CWAs).

- <u>CBAs</u> are enforceable and legally binding agreements signed by a coalition representing the interests of the communities that will be impacted by the project and the project's developer. The agreements outline the benefits the developer agrees to deliver in return for community support for the project. They can include workforce development aspects but are often broader.
- <u>CWAs</u>, also known as Project Labor Agreements, are legally binding prehire agreements between a contractor and local labor organizations for a specific project. They often set the standards for pay and benefits, quotas for local and diverse hiring, supplier diversity, etc.

COMMUNITY IMPACT FUNDS

Community benefits can also be written directly into contract language through an impact-focused Power Purchase Agreement (PPA), like the <u>Environmental Justice Power Purchase Agreement™</u> (EJPPA™) <u>between Volt Energy Utility and Microsoft</u>. A community investment and development agreement can be embedded with terms for a community impact fund that will allocate a portion of the project's revenue for benefits serving historically marginalized communities. Creating a community impact fund is not limited to PPAs — it can also be pursued through a <u>tax equity investment</u>.

DISTRIBUTED ENERGY AND COMMUNITY SOLAR WITH SOCIAL IMPACT

In contrast to utility-scale projects, support for smaller-scale projects provides a mechanism to embed community benefits directly into the communities that may be traditionally excluded from clean energy access. This can be done by:



PURCHASING RECs FOR DISTRIBUTED ENERGY OR COMMUNITY SOLAR PROJECTS FROM PROVIDERS THAT EMBED SOCIAL CO-BENEFITS AS PART OF THEIR BUSINESS MODEL AND MISSION

DONATING BILL CREDITS FROM THESE PROJECTS

SUPPORTING CLEAN ENERGY PROJECTS WITH STORAGE THAT CAN THEN ADVANCE COMMUNITY RESILIENCE

Energy Customers may be able to work directly with energy providers who have existing community benefits programs. For example, <u>Enel's Creating Shared Value program</u>, which works in partnership with customers to find opportunities across the project life cycle to advance social impact. Energy Customers may also be able to work with providers to co-create a product that meets desired priorities, such as Google's collaboration with <u>EDP Renewables North America Distributed Generation (EDPR NA DG) on the Impact REC™</u>.

MECHANISMS FOR PURSUING SOCIAL CO-BENEFITS: RESOURCES AND EXAMPLES

CBAs and CWAs	<u>ECC Folder with Sample CBAs and CWAs</u> ECC Justice40+ Community Benefit Playbook — Guides for CBAs and CWAs
Community Impact Fund	Microsoft and Volt Energy Utility Environmental Justice PPA (EJPPA™) Microsoft and Sol Systems PPA and Community Investment Agreement Google and Sol Systems Tax Equity Investment Sustain Our Future Foundation
Distributed Energy and Community Solar	Solar Stewards Marketplace — Social RECs™ National Community Solar Partnership People's Solar Energy Fund Distributed Renewable Energy Certificate (D-REC) Initiative Reace Renewable Energy Credit (R-REC) Aggregation Fund

SOCIAL CO-BENEFITS THAT MAXIMIZE COMMUNITY IMPACT

This primer categorizes social co-benefits under three main sections: 1) economic inclusion, 2) energy equity, and 3) climate-resilient communities. The mechanisms discussed in the previous section apply across various areas and are summarized in the diagram below.



MECHANISMS

CWAs

Can support equitable workforce development, labor rights, and supplier diversity

CBAs

Can support a diverse set of social co-benefits by outlining specific commitments for economic inclusion, energy equity, community resilience, etc.

Distributed Energy and Community Solar

Can support clean energy access, energy burden reduction, and community climate resilience

Community Impact Fund

Can support a diverse set of social co-benefits through direct financial allocation for community organizations or specific initiatives advancing economic inclusion, energy equity, community resilience, etc.

ECONOMIC INCLUSION

The opportunity is clear — the clean energy industry is poised to create countless jobs across the world. However, not all jobs are created equal, and job creation alone does not ensure economic inclusion. A "<u>high road</u>" approach calls for inclusive and skills-based workforce development, creation of familysustaining careers, and assurance that worker rights are upheld across the project life cycle. As the U.S. continues to face a <u>racial</u> and <u>gender</u> wealth gap, pursuing diversity as a primary pillar of workforce equity is a key opportunity.

Lack of diversity in clean energy means there is an underrepresentation of women, Black, and Latinx communities in clean energy, along with systemic barriers to entry for marginalized populations like immigrants and refugees, LGBTQIA+ communities, people with disabilities, and citizens who have been previously incarcerated. Inclusive efforts may also consider communities that are vulnerable to job loss due to the phaseout of fossil-fuel jobs and new technological changes like automation and artificial intelligence.

WORKFORCE DEVELOPMENT

Training, education, and entrepreneurship programs that focus on uplifting communities facing barriers will be key to successful economic inclusion. Workforce development programs that provide paid training opportunities and additional wraparound services — such as transportation to and from training sites, childcare services, life skill and career coaching, and language access — are key. In the U.S., <u>the IRA requires apprenticeships</u> for a minimum percentage of construction labor for large-scale clean energy projects to maximize tax credits. Registered Apprenticeship Programs are a proven mechanism for effective workforce development through their focus on paid training, recognized credentials, and focus on quality and safety.

To meet the demands of the growing clean energy economy, efforts should be made to create an ongoing stream of diverse and skilled future employees. This means that, while projectspecific inclusive training efforts are important, these should be accompanied by additional programs to educate youth and transition workers who will be our future workforce.

EDUCATION

Community funds can also provide support for education programs for aspiring youth. Working with an environmental education organization that focuses on secondary and tertiary education programs can help build a robust pipeline for a diverse workforce. This can be accomplished through programs that support sustainability; science, technology, engineering, and math education programs; or career and technical education vocational programs that train on career-specific skills, such as solar installation. These technical training opportunities for high school students can lay the groundwork for their success, allowing them to graduate with the skills and credentials to jump-start clean energy careers.



Working with minority-serving institutions like Historically Black Colleges and Universities (HBCUs) and Tribal Colleges and Universities (TCUs) provide opportunities to support a diverse pipeline of talent. Increasing accessibility also means supporting community and technical college programs that can provide a shorter and more affordable path to clean energy careers for historically marginalized communities.

ENTREPRENEURSHIP AND SUPPLIER DIVERSITY

The clean energy transition has an opportunity to expand diverse entrepreneurship. Building carve-outs to support local, small, and diverse-owned suppliers as part of a project can support community wealth-building. Programmatic efforts to catalyze and support diverse founders in the clean energy space can be supported through community impact funds.

COMMUNITY WEALTH-BUILDING

Supporting small and local businesses, investing in equitable access to family-sustaining careers, and helping reduce energy burden can all contribute to community wealth-building. Creative measures can also be pursued to advance community wealth-building. Allowing priority community members to directly invest in a project through an equity stake, providing priority community members with direct ownership, or establishing other revenue-sharing mechanisms can also create opportunities to directly benefit from the clean energy economy.

	ECONOMIC INCLUSION: RESOURCES AND EXAMPLES
Workforce Development	 IREC Registered Apprenticeship Toolkit National Clean Energy Workforce Alliance Environmental Justice Leadership Forum Green Jobs Report with community-based solutions and recommendations High Road Workforce Guide Rural Renewable Energy Alliance (RREAL) Solar Education and Workforce Development
	Rata Referrasie Energy Allance (RREAL) Solar Eddeddorrand Workforce Development
Education	 EcoRise Green Building Academy Philadelphia Energy Authority Bright Solar Futures Curriculum Sharing the Power Foundation HBCU Environmental Justice Ambassador Fellowship GROW Skills Academy
Entrepreneurship	 <u>Elemental Excelerator</u> <u>ACORE Accelerate</u>

ENERGY EQUITY

Deployment of clean energy technologies like solar has disproportionately benefited higher-income households and excluded communities of color. Energy Customers can support efforts to increase parity in clean energy access across low-income communities and communities of color.

CLEAN ENERGY ACCESS

Energy Customers like T-Mobile and AT&T are serving as anchor tenant subscribers for community solar projects. By supporting the financial stability of a community solar project, they are increasing accessibility to solar subscription for residential customers, smaller businesses, and low-income residential subscribers for a portion of the project. Nearly half of U.S. households and businesses are not able to host solar onsite. Community solar in eligible states is a great option for increasing clean energy access, particularly for low and moderate-income (LMI) households. While some states require a portion of community solar subscriptions be allotted to LMI households, corporations can advocate to include this in their project scope in states where this is not mandated but possible.

Through an innovative approach centered on restorative justice, Solar Stewards has created a marketplace for Social RECs™. This allows corporate energy customers to purchase RECs from distributed energy projects that serve historically excluded communities through projects in affordable housing, schools and universities, and religious spaces, among others. The revenue generated from these partnerships funds community-determined impact measures through a CBA.



Community Solar Policy Snapshot, by Annie Lappé, Pivot Energy

ENERGY BURDEN

Supporting weatherization, promoting energy efficiency, and building electrification services are prime opportunities for improving quality-of-life outcomes for under-resourced and historically marginalized communities. While some utilities offer free weatherization services for homeowners, this can be difficult to obtain for renters in single or multifamily buildings, or mobile-home owners who do not own their property site. Additionally, building electrification costs for existing housing can be cost-prohibitive for low-income households, even with utility rebate assistance. When paired with clean energy goals, weatherization and energy efficiency can maximize benefits for program recipients by, for example, reducing energy burden and improving indoor air quality. Partnering with nonprofits, such as <u>Community Housing Partners</u>, offers additional opportunities outside of local utilities to support weatherization and energy efficiency.

Energy burden can also be addressed through bill credit donations. In a <u>recent deal between Google</u> and EDPR NA DG, bill credits from community solar projects will reduce energy bills for approximately 25,000 LMI families. For their on-site community solar project in Washington, D.C., FedEx and Sol Systems partnered to donate bill credits from the project to a local nonprofit organization, <u>So Others</u> <u>Might Eat</u> (SOME).

Blended financing mechanisms in partnership with the growing development of <u>green banks</u> in the U.S. can also create pathways for expanding equitable access to clean energy, electrification, and energy efficiency.

ENERGY EQUITY: RESOURCES AND EXAMPLES				
Clean Energy Access	Organizations focused on supporting Co • <u>Solstice</u> and <u>Energy Allies</u> • <u>Groundswell</u> • <u>Reactivate</u> • <u>Solar United Neighbors</u>	mmunity Solar and Distributed Generation • <u>GRID Alternatives</u> • <u>Solar Stewards</u> • <u>National Community Solar Partnership</u> • <u>People's Solar Energy Fund</u>		
Energy Burden	 <u>Community Housing Partners</u> <u>ECC</u> <u>Green and Healthy Homes Initiative</u> <u>Navajo Power Home</u> 	 Project Examples: <u>Google Nest Renew and Pivot Energy</u> <u>Collaboration</u> <u>Google and EDPR NA DG Impact REC</u> <u>Collaboration</u> 		

CLIMATE-RESILIENT COMMUNITIES

Clean energy procurement can also support community resilience, which refers to the sustained ability of a community to use available resources to prepare for, respond to, withstand, and recover rapidly from disruptions and disasters. Communities of color, rural communities, and coastal and island communities face <u>disproportionate impacts of disruptions</u>, <u>such as power outages</u> and climate-driven disasters. Preexisting socioeconomic stressors affect the capacity of communities to bounce back from these events.

MICROGRIDS

Corporate customers may be able to support community resilience by developing their own microgrid systems that can support sustained operations. This is particularly helpful for corporations whose services include distribution of essential supplies, such as grocery stores, pharmacies, or <u>restaurants</u>.

Supporting microgrid projects in tribal communities, such as the <u>Blue Lake Rancheria</u> project, can support tribal sovereignty. Supporting microgrids in island communities like <u>Puerto Rico</u> can provide transformative co-benefits to areas that have been significantly affected by previous devastating disasters, such as <u>Hurricane María</u>. Microgrid projects in community centers that provide additional social services during disasters or disruptions are also known as resilience hubs. Resilience hubs are community-serving facilities that can provide support during and after disasters by providing a shelter with backup power and water, centralized communication, and distribution of essential resources like food, water, medications, and other supplies. <u>Resilience hubs</u> can be accompanied by on-site community solar, which corporate Energy Customers can support by subsidizing costs to allow a discounted subscription rate for lowincome households.

RESILIENT INFRASTRUCTURE

Communities that are disproportionately vulnerable to climate disasters have been adversely impacted through historical policies like <u>redlining</u>, which have led to disparities in existing infrastructure. Supporting resilient infrastructure in communities facing disproportionate extreme heat exposure and flood risk can have transformative benefits. This support can include expanding green infrastructure through tree planting, rain gardens, or green roofs that aid in heat mitigation and stormwater management. Loss of power during extreme heat or winter storms makes energy burden mitigation measures like home weatherization essential to passive survivability, the capacity of buildings to provide livable conditions during loss of power.

COMMUNITY CAPACITY

Directly supporting environmental and climate justice organizations can also provide essential community resilience benefits. A <u>Yale School of the Environment study</u> found that environmental justice organizations receive significantly less funding than their "big green" counterparts, and less than 10% of grant dollars were allocated to organizations focused on communities of color. Grassroots environmental organizations often have deep connections to historically marginalized communities and firsthand experience with their challenges and priorities. As a result, these organizations should be key decision-makers in community engagement processes. Learning which organization is connected to a priority population will require background research and can be a part of the community engagement process.

CLIMATE-RESILIENT COMMUNITIES: RESOURCES AND EXAMPLES			
Microgrids	 Feed the Second Line: Get Lit Stay Lit Initiative Groundswell — Resilience Hubs projects Blue Lake Rancheria Puerto Rico Community Energy Resilience Initiative (CERI) 		
Resilient Infrastructure	 <u>Resilient Cities Catalyst</u> <u>Resilient Cities Network</u> <u>ECC — Anchors in Resilient Communities</u> <u>Building Community Resilience — Union of Concerned Scientists</u> <u>Project Example: The Nature Conservancy, Rivian, and BrightNight Collaboration</u> 		
Community Capacity	Environmental justice-focused organizations to support: • Signatories of the <u>Equitable and Just National Climate Platform</u> Members of the: • <u>Climate Justice Alliance</u> • <u>Environmental Justice Leadership Forum</u>		

A GLOBAL OUTLOOK

<u>People living in lower income countries</u> are about <u>five times more likely</u> to be displaced by climate disasters than people living in high-income countries. The International Energy Agency's <u>latest estimate</u> of the number of people without electricity across the world is nearly 775 million, with most of these communities in Sub-Saharan Africa.

In 2022, about two-thirds of <u>corporate clean energy PPAs</u> occurred in the U.S., and about 95% of corporate clean energy purchases today take place in North America and Europe. However, many corporations have a global footprint, either through direct locations and operations across the world or via their supply chain.

Pursuing an <u>EKOenergy label</u> for international clean energy projects presents an opportunity to have a third-party-verified project that is sustainable and produces revenue for projects that reduce energy poverty across the Global South. EKOenergy labels can be used for various procurement mechanisms, such as PPAs, RECs, and green tariffs.

The International REC (I-REC) Standard Foundation provides an opportunity for energy customers to lead the way in supporting clean energy development across the globe. Powertrust, an international D-REC provider, works to finance new clean energy projects across emerging markets — currently Latin America, Africa, and Southeast Asia — with a focus on emissionality, additionality, and social impact. <u>Salesforce has recently partnered with Powertrust</u> to purchase 280,000 megawatt hours of renewable energy from small, distributed energy projects in emerging markets. <u>Energy Peace Partners (EPP)</u> is a nonprofit that deploys innovative private climate finance to catalyze investments in clean energy in fragile countries and conflict zones globally as a building block for peace. EPP's novel solutions include the (P-REC), which is a label attached to I-RECs, and the <u>P-REC Aggregation Facility</u>. P-REC projects in the Democratic Republic of Congo have supported development of <u>solar-powered streetlights</u> in Ndosho through a partnership with Microsoft, while Google-supported P-RECs in the rural villages of Tadu and Faradje have provided solar minigrids to power <u>new electrification infrastructure</u>.

Supporting co-benefits in global projects can also be done in direct partnership with a developer. For example, Enel Green Power developed the <u>Family Biowater</u> project, which reuses domestic gray water from showers and laundry to irrigate crops in the northeastern state of Bahia, Brazil, where one of Enel's <u>wind farms</u> is located.

Corporate energy customers interested in pursuing global partnerships can find resources through the <u>Clean Energy Ministerial</u>. Currently, <u>ICLEI — Local Governments for Sustainability</u> and the <u>United Nations</u> <u>Higher Education Sustainability Initiative</u> are seeking corporate support for clean energy projects across the Global South that have been vetted through ICLEI.

CONCLUSION

This primer has provided an overview of mechanisms to support social co-benefits for local and historically marginalized communities, along with examples of projects that can support environmental justice and climate equity. This is an emerging topic with evolving and innovative solutions, and this overview is not meant to be all-inclusive. There are many benefits that only your company is poised to advance based on its mission. So, you may also think creatively about how social co-benefits can align with your sector, like technology companies that support closing the digital divide, food and beverage organizations that support food justice, or automotive companies that support transportation electrification.

For industry stakeholders interested in this work, we encourage the following call to action:

- Align your why with your company mission. Having a clear connection to your organization's values and business objectives can help build a strong business case for this work.
- Focus on the opportunities, not barriers. This work may not represent the easiest path to clean energy deployment, but it helps mitigate existential risks to the energy transition. Focusing on the opportunities that advancing social equity outcomes can have on communities rather than the barriers that your organization may face in the process can enhance enthusiasm and support.
- Act courageously and creatively. Social justice work has advanced in the face of opposition for generations. Strong commitment and belief in the value of this work is paramount to establishing leadership in this space.

GLOSSARY

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Historically marginalized communities:

Communities that have been harmed by institutional systemic injustice and may be underresourced and underserved, excluded, or underrepresented in the benefits of the clean energy economy, or are most vulnerable to the effects of climate hazards without equitable and inclusive policies. Historically marginalized populations may include communities of color, women and children, low-income communities, migrants and refugees, LGBTQIA+ communities, people with disabilities, and those affected by the criminal justice system.

Latinx:

A gender-neutral term used to reference Latin American heritage; Latine may also be used in this context.

Reparative justice:

A way of thinking about justice that focuses on those who have been harmed and on repairing past harms, stopping present harm, and preventing the reproduction of harm.



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