



# ACEEE Utility Scorecard Equity Metrics Implementation Strategy

JUNE 2022

## Commitment to Accountability

ACEEE is committed to ensuring that the priorities of community-based organizations are integrated into our *2023 Utility Energy Efficiency Scorecard* through a transparent and collaborative process. To this end, we created this strategy document to share our planned next steps for incorporating new equity-focused metrics into the *Utility Scorecard*. The metrics in the final report may change based on feedback we receive from community-based partners over the next year. We will be transparent about the decisions we make and how we respond to and incorporate partner feedback throughout this process.

## Overview and Purpose

This document outlines ACEEE's strategy for implementing new equity-focused metrics in its *Utility Scorecard*. The strategy summarizes the current baseline of equity metrics in past *Utility Scorecards*, our planned process for soliciting feedback from stakeholders and community-based organizations (CBOs), and our commitment to accountability. As part of its organization-wide Leading with Equity Initiative, ACEEE has committed to ensuring that energy equity metrics account for at least 20% of possible points in the upcoming edition of the *Utility Scorecard*. To accomplish this, we will update and add equity metrics to reflect utilities' leading and innovative equity-driven practices. These metrics are built around three dimensions of equity adapted from the 2014 Urban Sustainability Directors Network report researched and written by Angela Park and referenced in more detail on the [Leading with Equity Initiative landing page](#).<sup>1</sup>

Through the Leading with Equity Initiative, ACEEE convened community based-organizations, advocates, utilities, and energy efficiency (EE) program implementers to identify equity-focused metrics for ACEEE's state, city, and utility scorecards. The initiative aims to ensure that each scorecard captures clean energy policy and program impacts on historically under-resourced or climate vulnerable groups, including communities of color, low-income communities, immigrant communities, rural communities, and other marginalized communities.

<sup>1</sup> Park, A. 2014. *Equity in Sustainability: An Equity Scan of Local Government Sustainability Programs*. San Francisco: USDN (Urban Sustainability Directors Network). [usdn.org/uploads/cms/documents/usdn\\_equity\\_scan\\_sept\\_2014\\_final.pdf](https://usdn.org/uploads/cms/documents/usdn_equity_scan_sept_2014_final.pdf).

## Baseline of Equity Metrics in the *Utility Scorecard*

ACEEE has published two editions of its *Utility Scorecard*, one in 2017 and the other in 2020. Both editions contained a single equity-focused metric: *low-income program implementation*. Under this metric, utilities can earn points for offering a range of low-income programs, spending money on low-income programs, and achieving savings through low-income programs.<sup>2</sup> This metric is currently worth 3 points out of 50, thereby accounting for 6% of the total points a utility may earn.

## Leading with Equity Process and Priorities Alignment

As established in the [Leading with Equity Initiative: Key Findings and Next Steps](#) report, the 2023 edition of the *Utility Scorecard* will increase the percentage of points awarded for equity achievements from 6% of total points to at least 20%. Through the initiative, community-based organizations, advocates, utilities, and EE program implementers collaborated to recommend a robust list of action categories and metrics that should be considered for inclusion in the *Utility Scorecard*.<sup>3</sup> Those recommendations, which were published in the *Leading with Equity Initiative* report, were converted by the *Utility Scorecard* project staff into a prioritized list of equity actions, descriptions, and sample questions that could be asked in a data request to assess utilities' progress on achieving equitable outcomes.

Project staff initially designated action categories as high priority if the actions were deemed necessary to make the EE program comprehensible, relevant, or accessible to customers. Actions like ensuring programs were communicated in customers' preferred spoken languages and providing on-bill financing received this designation. Actions received medium priority if staff determined they enabled effective programs but were not strictly necessary to realize them. Actions like tracking health benefits of EE programs and providing executive accountability for equity goals received this designation. Finally, certain equity actions were categorized as low priority if staff determined they were tangential to utility responsibilities, such as community wealth building. A separate group of ACEEE senior staff reviewed these preliminary action categories in January 2022 and provided feedback primarily on action categories' appropriateness for inclusion, priority ranking, and data request question examples.

Using feedback from Leading with Equity workshop participants, comprised of community-based organizations and energy equity experts, the *Utility Scorecard* team discussed each recommendation and sought to strike a balance between (1) ensuring the data request was robust enough to faithfully capture progress utilities are making to advance equity through their EE efforts while (2) keeping our utility data request to a manageable length.<sup>4</sup>

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<sup>2</sup> Utilities use varying definitions of "low-income" and "limited income." They may also employ different methods of calculating incomes or include types of customers (e.g., age-qualifying or commercial customers).

<sup>3</sup> Examples of action categories include stakeholder engagement, energy affordability, and access to financing. Each action category may contain multiple objectives related to a particular equity issue.

<sup>4</sup> Historically, several ACEEE staff have observed an inverse relationship between the size of our data request and utility response rate. Utilities often receive numerous data requests, including mandatory requests from regulators. As such, limiting the burden to respond to our voluntary questions has been deemed important to receiving the information needed to complete the *Scorecard*.

# Process for Soliciting Feedback

We are proposing the following timeline to transform the current list of action categories into new equity metrics.

## UTILITY SCORECARD TIMELINE

TIME	ACTIVITY	ACTIONS TAKEN TO DEVELOP AND ADOPT EQUITY METRICS
April 11, 2022	Leading with Equity workshop	Updated equity roadmap for <i>Utility Scorecard</i> was shared with community-based organizations and experts in energy equity during first of three Leading with Equity workshops in 2022. Feedback will be collected and processed.
May 16, 2022	Internal feedback session	Senior ACEEE staff and subject matter experts joined the <i>Utility Scorecard</i> staff to discuss the full slate of proposed methodological changes to the <i>Scorecard</i> , including equity scoring categories and metrics.
May 2022	Data request development	<i>Utility Scorecard</i> staff translated feedback into updated action categories and proposed questions in preparation for a draft utility data request.
June 2022	Data request review webinar	Leading with Equity stakeholders will be provided the opportunity to review the data request to ensure we are asking the right questions prior to sending to utilities and to discuss proposed methodological changes.
June–July 2022	<i>Utility Scorecard</i> data request	Utilities complete data request, sending what equity data are available back to ACEEE.
August–October 2022	Metric calibration	<i>Utility Scorecard</i> staff process results of utility data request to revise proposed equity metrics and develop point allocations for each.
October 2022	Scoring	<i>Utility Scorecard</i> staff score utilities on equity using newly developed and calibrated metrics.
Late 2022	<i>Utility Scorecard</i> external review	External review draft of 2023 <i>Utility Energy Efficiency Scorecard</i> is shared with an expanded list of local, regional, and national organizations focused on environmental justice.
Winter 2022–2023	Equity scoring revision	<i>Utility Scorecard</i> staff consult with ACEEE Low-Income Utility Working Group, Equity Working Group, and Leading with Equity stakeholders and community-based organizations to address equity metric scoring issues coming out of external review.
Early 2023	<i>Utility Scorecard</i> 2023 complete	2023 <i>Utility Energy Efficiency Scorecard</i> will contain a detailed breakdown of the equity metric points that utilities are and are not earning. Authors will also create a summary of the feedback we received from the Leading with Equity workshops, changes made, and reasoning for metric decisions.

**For more information about the *Utility Energy Efficiency Scorecard*, please reach out to Mike Specian at [mspecian@aceee.org](mailto:mspecian@aceee.org). For more information about ACEEE's Leading with Equity Initiative, please reach out to Amanda Dewey, [adewey@aceee.org](mailto:adewey@aceee.org).**