

Equity Working Group Discussion

(Additions from discussion during the 3/5/24 meeting are in red) Serve customers best – discount rate.

Procedural	Areas with Outstanding Concerns
CESAG	<ul style="list-style-type: none"> • Process for selection of community-based organizations is unclear • Opportunities for public input are not discussed • Since the utilities are currently moving forward independent of the GMAC, there is not an accountability mechanism for the results of the group on community engagement or community benefits agreements • This group's concerns are based on previous experiences with utility-run groups (e.g. the Commercial Working Group at the EEAC and the EDC energy efficiency customer groups) where stakeholders haven't felt heard and the deliberations and/or discussions were not made public • The group flagged there is a trust deficit with the utilities and the structure does not shift power to community groups or the public
Metrics	<ul style="list-style-type: none"> • EDCs and DPU have postponed metrics discussion to later phase
Other Related Working Efforts	<ul style="list-style-type: none"> • It unclear how the CESAG will be coordinated with other related ongoing activities. Stakeholder fatigue remains unaddressed.

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Distributional	Areas with Outstanding Concerns
Distributional Equity in Rates	<ul style="list-style-type: none"> The EDCs are open to discussing rates further in a generic rate proceeding or the affordability proceeding (DPU 24-15). DPU has limited rate design discussion. The text of the ESMPs still references demand charges though there are multiple alternative rate designs being tested nationwide* The bill impact analysis also excludes many of the grid modernization and capital costs for the energy transition in other dockets. It is still hard to assess affordability impacts on ratepayers with current analysis The Equity Working Group and GMAC suggested a distributional equity analysis to help us and the public understand the full impact of the investments on many different types of communities and customers. The ESMP filings only include a benefit cost analysis and a limited qualitative analysis. Equity is not reflected in the analyses as it stands. The consultants noted that a complete benefit cost analysis is the precursor to the distributional equity analysis – both of these steps need to be taken in order for this group and the public to have a full picture of the impact of the ESMPs
Distributional Equity in Technology Access and Incentives	<ul style="list-style-type: none"> The EDCs have suggested technology access discussions occur during the EEAC deliberations
Prioritize current and future service quality gaps	<ul style="list-style-type: none"> The EDCs rejected the premise that there are differences in service quality This is not responsive the rest of the comment which was to prioritize investments in climate vulnerability communities that are more likely to experience service disruption in the future. Other concerns/comments?

*Example: Yim, E., and S. Subramanian. 2023. *Equity and Electrification-Driven Rate Policy Options*. Washington, DC: ACEEE. <https://www.aceee.org/white-paper/2023/09/equity-and-electrification-driven-rate-policy-options>.

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Recognition	Areas with Outstanding Concerns
Benefits of Grid Modernization	<ul style="list-style-type: none"> • The net benefits analysis does include positive impacts from grid modernization, but per Slide 19 there are gaps in this analysis, notably it does not include the impact of changes in rates. • The ESMP bill impact analysis and cost benefit analysis are not reflecting the full costs of modernizing the grid and the energy transition. There are only a small number of modernization costs categorized as “ESMP investments” and the utilities aren’t accounting for changes in electric sales. These and other factors distort the analysis and the numbers being presented. It is more typical to consider the full breadth of proposed investments as part of a BCA. • The above frustrates group members because the Equity Working Group cannot have a meaningful conversation about benefits or affordability impacts due to limited confidence in the analysis.
Community Benefits Agreements (CBAs)	<ul style="list-style-type: none"> • EDCs have stated CBAs will be developed and executed on a host community basis • EDCs also stated CESAG will be the forum for lessons learned and next steps on CBAs, but per CESAG concerns on previous slide, public process for this group is unclear