



# ACEEE State 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 *State 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 metrics into the *State 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 *State Scorecard*. The strategy summarizes the current baseline of equity metrics in past *State Scorecards*, our planned process for soliciting feedback from stakeholders and community-based organizations (CBOs), and our commitment to accountability. As part of our organization-wide Leading with Equity Initiative, ACEEE has committed to ensuring that energy equity metrics account for at least 20% of the points in the upcoming edition of the *State Scorecard*. To accomplish this, we will update and add equity metrics to reflect effective, 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 program implementers to identify equity-focused metrics for ACEEE's state, city, and utility scorecards. The initiative aims to ensure that each scorecard captures the impacts of energy efficiency policies and programs on communities that have been historically under-resourced or are climate vulnerable, including communities of color, low-income communities, immigrant communities, rural communities, and other marginalized communities. A supplementary appendix document includes details about proposed metrics for the 2022 edition of the *Scorecard*.

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<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 *State Scorecard*

Since 2017, ACEEE's *State Energy Efficiency Scorecard* has included five equity-oriented scoring metrics accounting for just 4% of total points on the *Scorecard*'s 50-point scale. These metrics assessed the strength of utility and state-funded low-income energy efficiency programs and the extent to which state policies promoted equitable access to transportation services.

Prior metrics included a scoring category awarding credit for a mix of utility-related efforts, including state-adopted minimum spending requirements for low-income energy efficiency programs, actual levels of statewide program investment, and cost-effectiveness rules that value the unique customer benefits of these programs. The report's "Transportation" chapter also included an Equitable Access category, recognizing states that (1) provide incentives to developers who set aside a fixed percentage of low-income housing in transit-served areas, and (2) consider proximity to transit services as key criteria for disbursing federal low-income tax credits to qualifying property owners.

## Leading with Equity Process and Priorities Alignment

Through ACEEE's Leading with Equity Initiative, participants in three workshops prioritized new metric categories to add to the *State Scorecard*. Details on workshop process and outcomes can be found in the [Leading with Equity Initiative: Key Findings and Next Steps](#) report that further describes our application of the equity framework and lists the metric categories proposed for each.<sup>2</sup> We identified equity metrics for the next edition of the *State Scorecard* (listed in Appendix A), drawing on actions prioritized through the workshops and with additional input from ACEEE's Equity Working Group.<sup>3</sup> These workshop discussions informed staff prioritization of metrics aiming to track and recognize state efforts, based on scoping considerations, data availability, and projected impacts on delivering equitable outcomes to CBOs and historically under-resourced communities. However, we acknowledge the selected draft list of metrics addresses most but not all priority categories. We plan to reassess and explore these metric categories further in future editions of the *State Scorecard*.

Our proposed *State Scorecard* methodology changes for 2022 include a significant expansion of equity-focused metrics across all policy areas, increasing from 4% of total points to 20% and adding 10 new scoring categories. Metric selection was guided by a focus on connecting equity impacts to accountability through transparent tracking mechanisms, such as funding levels or progress indicators measuring program participation or workforce development. Priority was also given to those policies and programs with a direct link to energy efficiency and state policy.

While we consider this methodology expansion to be an important step in centering equity in the report, we acknowledge there is more to be done to align the *State Scorecard* with leading state, federal, and local efforts to ensure historically under-resourced and climate vulnerable households and communities share equitably in the benefits of the clean energy transition. Our current list of draft equity metrics appears in a supplementary document.

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<sup>2</sup> [www.aceee.org/white-paper/2021/12/aceees-leading-equity-initiative](http://www.aceee.org/white-paper/2021/12/aceees-leading-equity-initiative).

<sup>3</sup> The Leading with Equity Initiative convened participants for two years with a focus on improving the consideration of equity in the scorecards, while ACEEE's Equity Working Group is a long-term group of community-based organizations that meet regularly and provide feedback on a variety of ACEEE projects.

## Process for Soliciting Feedback

Below is the proposed timeline for soliciting feedback on the new equity-focused metrics.

### STATE SCORECARD TIMELINE

MONTH PERIOD	TYPICAL STATE SCORECARD ACTIVITIES	EQUITY METRIC DEVELOPMENT PROCEDURES
December 2021	Methodology planning and review period	Hosted webinar on equity-related metrics in the <i>State Scorecard</i> with follow-up survey for additional feedback. Met with ACEEE's Equity Working Group to discuss specific questions about new equity-focused metrics, solicit feedback, and refine accordingly. (New for upcoming scorecard)
April 2022	Data request drafting period	Hosted workshop meeting to discuss roadmap strategy documents across all three scorecards. (New for upcoming scorecard)
April 2022	Data request revision and review period: Authors develop data request questions for states. These data will be used for scoring.	Reviewed questions related to equity metrics alongside feedback from Equity Working Group and Leading with Equity workshops. Used feedback to revise data request questions. (New for upcoming scorecard)
April–May 2022	States receive and respond to the data request.	No procedural change necessary
May–June 2022	Authors use information from data request to create and update metric criteria and point allocations.	Authors will revise metrics and point allocations using feedback from ACEEE's Equity Working Group members and Leading with Equity workshops. (New for upcoming scorecard)
May–July 2022	Authors score states. ACEEE conducts internal reviews of the early <i>Scorecard</i> drafts.	No procedural change necessary
August–September 2022	<i>State Scorecard</i> draft is shared for external review with states and industry experts.	External review draft is shared with an expanded list of local, regional, and national organizations focused on environmental justice. (New for upcoming scorecard)
September–October 2022	Authors revise scoring and report draft based on external review comments.	Authors will consult with reviewers and working group members to address any equity metric scoring issues that arise during review. (New for upcoming scorecard)
November 2022	Work on the <i>State Scorecard</i> is completed. The draft and related materials are prepared for release.	Authors will also create a summary of the feedback we received from the Leading with Equity workshops, changes made, and reasoning for metric decisions. (New for upcoming scorecard)

For more information about the *State Energy Efficiency Scorecard*, please reach out to Sagarika Subramanian, [SSubramanian@aceee.org](mailto:SSubramanian@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).

## Appendix A. Draft 2022 Equity-Focused Scoring Categories for the State Scorecard

The table below lists proposed *2022 Scorecard* metrics intended to highlight policies and programs advancing equity within state energy efficiency initiatives. This includes the addition of 10 new scoring categories that together with existing metrics would account for 10 points, or 20% of achievable points.

PROPOSED 2022 EQUITY-FOCUSED SCORING CATEGORIES	PROPOSED POINTS	DESCRIPTION
<b>Utilities</b>		
(Current) Support of low-income energy efficiency programs	2	Three metrics: (1) funding towards income-eligible energy efficiency (EE) programs, (2) establishment of a minimum spending or savings goal for low-income EE programs, (3) cost-effectiveness rule provisions that account for unique non-energy benefits of low-income EE programs
(New) Geographic tracking of distribution of program participation and health/pollution impacts	0.5	Identifies states and utilities that track demographic data related to energy efficiency program participation and assess program outcomes such as high energy bills and health/safety issues
(New) Intervenor compensation	0.5	Recognizes states that provide intervenor compensation for groups that would like to participate in PUC proceedings but lack resources to do so
<b>Transportation</b>		
(Current) Equitable transportation access	1	Recognizes policies to encourage inclusion of low-income housing in transit-oriented neighborhoods; uses distance from transit facilities as a criterion for awarding federal low-income tax credits to qualifying property owners
(New) Equitable transportation electrification	1	Considers state EV policies or plans that include explicit funding streams that benefit low-income, economically distressed, or environmental justice communities
<b>Buildings</b>		

PROPOSED 2022 EQUITY-FOCUSED SCORING CATEGORIES	PROPOSED POINTS	DESCRIPTION
(New) Minimum energy performance standards for state housing agency–funded projects	1	Identifies states where Housing Finance Agencies (HFAs) have set EE standards for the projects they fund
(New) State efforts to remediate health/safety deficiency barriers to low-income weatherization	1	Assesses state-supported healthy homes programs that address health and safety issues that can lead to weatherization deferral
(New) ZEBs and electrification in affordable housing/construction	1	Awards points for (state or utility) programs investing in affordable zero-energy homes for low-income customers
<b>State government / Cross-cutting</b>		
(New) Dedication of carbon pricing revenues to EE equity initiatives	0.5	Assesses level of support toward low-income programs from proceeds of carbon pricing programs
(New) Statewide energy affordability or energy justice goal	0.5	Recognizes states that create goals to lower state-wide energy burdens for low-income households AND set a plan and/or are tracking progress towards achieving the goal
(New) Equity task force or dedicated staff to address equity concerns	0.5	Credits state planning processes that include a commitment to strengthening engagement with environmental justice communities
<b>Industry</b>		
(New) State-supported job training for Industrial EE	0.5	Credits state efforts to address systemic inequalities in building a diverse and inclusive clean energy workforce
<b>Total</b>	<b>10</b>	<b>20% of total points in Scorecard</b>

