

STATE OF VERMONT

EQUITY IMPACT ASSESSMENT TOOL

The State of Vermont is committed to advancing equity for all those who live, work, play, and learn in Vermont. Through data-informed program design and careful consideration of compounded historical inequity, agencies across the state can craft budgetary and programmatic proposals that align with the State's values and meet individual and shared goals.

Instructions: Complete this form as thoroughly as possible and submit with any supporting documentation to your reviewer/approver. For questions regarding this form, contact Racial Equity Director Xusana Davis or Policy and Legislative Affairs Director Kendal Smith.

At a minimum you must answer the bolded questions: 1-8, 12, 14-15, 17, 21 -22, 24-25

PROPOSAL BACKGROUND

- 1. Briefly describe the proposal. Include background information regarding the problem the proposal is intended to address.**

As penetration of electrification measures continues to grow alongside increased amounts of renewable generation and other distributed energy resources, it is increasingly critical to manage the operation and costs of the electric grid. Distributed energy resource and load management are key strategies for optimizing our utilization of the clean energy derived from existing renewable assets, and includes strategies related to energy storage and flexible and grid-interactive loads (such as electric vehicle chargers and heat pumps), at both the utility- and customer-scale. The proposal will expand access for Vermont ratepayers, particularly low- and moderate-income Vermonters, across the state to participate in a clean energy transition, by enhancing the capabilities of municipal and cooperative utilities to offer energy services and supporting projects for all Vermonters. The proposal will allocate funding that will create access to additional value streams to customers, putting downward pressure on the cost of electricity making Vermont more affordable and spurring economic development, and the investments will make Vermont electric service more robust in the face of increasing climate change related storms. Funds will be used to solicit projects incorporating energy storage, flexible and grid-interactive loads (such as electric vehicle chargers and heat pumps), including control platforms for municipal and cooperative utilities, to enable Vermonters – with a priority on low- and moderate-income Vermonters – to participate in the state's decarbonization and clean energy activities.

- 2. Is the proposal related to COVID-19 response or recovery?**
 - a. If so, is there federal or other COVID-19-related funding that may support the proposal?**

Yes. This specifically responds to a legislative request in Act 74 for the Department to make a proposal for \$5 million of ARPA funding to the Legislature for "approval".

- 3. What are the intended outcomes of the proposal?**

Expand Distributed Energy Resource Management to more – or all – Vermont distribution utilities, broadening access to innovative programs that can save ratepayers money, with a priority to include low-income and underserved communities in the energy transition.

- 4. What are the consequences of not implementing this proposal?**

The legislature allocates funding elsewhere. This proposal is expected to expand access to innovative electric utility programs and rates to all Vermonters, regardless of utility, with a focus on underserved Vermonters.

5. Are there fiscal implications of this bill for the Agency/Department? If yes, please describe.

Not to the general fund budget, as these are ARPA dollars to be allocated.

6. Is the policy evidence-informed?

The proposal is informed by the public engagement process held for the Comprehensive Energy Plan Development, as well as by the Vermont System Planning Committee (and various subcommittees and workgroups), interconnection standard proceedings of the PUC, and other topical national research.

STRATEGIC PLAN, METRICS, GOALS, INDICATORS

7. Does this proposal advance a strategic goal and/or key performance indicator of your Agency/Department, or State Government, as defined here:

<https://strategicplan.vermont.gov/>. If yes, which?

Economic Development; Making Vermont more Affordable

8. Are the desired outcomes specific and measurable?

Yes. For example, Increased number of utilities offering innovative distributed energy resource management. Number of MW able to be “controlled” by the utility to manage their distribution system.

9. Do you have sufficient population-level data to understand whether the proposal would address or create any racial disparities?

a. If not, what data would be needed?

No. Demographics (race, income) by utility service territory.

10. If implemented, can you collect disaggregated demographic data, track it, and evaluate it to assess equity impacts?

Perhaps. It depends on the final shape of the program. The Department is currently developing a Request for Information it will issue to help shape the program.

11. Are there staff trained to analyze the data related to the proposal?

Yes.

Inter-Agency or Multi-Sectoral Collaboration

12. Which other agencies (SOV or non-SOV) may have an interest in this proposal or its outcomes?

Emergency Management – to the extent Storage for municipalities is part of the distributed energy management resources. Office of Economic Opportunity – reaching underserved communities, potential link with Weatherization. VHFA – pilot for tariffed to the meter financing for weatherization and potential other electric measures.

13. Does the proposal encourage or prioritize contractors led by members of marginalized groups? This may include but is not limited to vendors designated as Minority- or Women-Owned Business Enterprises or Disadvantaged Business Enterprises.

The proposal could lead to a solicitation for third -party vendors. This solicitation could encourage or prioritize contractors led by members of marginalized groups.

STAKEHOLDERS AND IMPACTED POPULATIONS

14. Describe the proposal’s target population. Include demographic information such as race, ethnicity, sexual orientation, gender identity or expression, age, etc.

The target population encompasses all electric ratepayers via their distribution utility. However, for customer facing portions of the program, it would be expected to prioritize lower income populations, and could specifically prioritize other communities (ex. BIPOC) as well.

15. How was this target population selected?

The goal of grid efficiency is intended to reduce ratepayer costs and facilitate energy transition to cleaner fuels, particularly for ratepayers of municipal and cooperative utilities who may have less access to innovations in grid management due to economies of scale. Customer facing portions of the proposal would target lower income Vermonters because they often have less ability to participate in programs.

16. Did you meaningfully consult with community members in developing this proposal?

- a. If so, how?
- b. If so, did those community members include persons of color?

We consulted generally on issues related to grid management with certain key stakeholders such as distribution utilities with expert experience in grid management. The final program design is not completed. As noted above, a Request for Information is being developed.

16. What geographic areas of the state will be most impacted by the proposal?

This proposal would be most impactful to ratepayers of smaller municipal electric utilities, and perhaps electric utility cooperatives. This spans a range of towns across the state, from Jacksonville in southern Vermont to Enosburg Falls in northern Vermont.

a. Is there a larger-than-average population of Vermonters of color in those areas?

Unknown.

17. How will the proposal incorporate cultural concerns of specific groups? (i.e. use of traditional healing practices, use of culturally appropriate diagnostic assessment tools, etc.)?

To be determined as program design is developed.

18. Will public written materials generated through this proposal be translated?

- a. If so, in which languages?
- b. If not, why?

To be determined as program design is developed.

19. Does the proposal involve a social marketing strategy for the target population? Describe.

No.

BENEFITS AND BURDENS

ADVANCING EQUITABLE IMPACTS

20. Does the proposal seek to reduce disparities for marginalized or underserved groups? If so, how? Yes – it seeks to facilitate the offering of innovative electric energy services to ratepayers of smaller municipal utilities who do not currently have these services (i.e., they are underserved), with a planned focus on lower income customer. Generally speaking these are rural ratepayers.

21. What are the anticipated positive outcomes for the target population?

Opportunity to participate in programs and receive incentives that help lower their electricity costs and energy burden. Overall lower costs to all ratepayers which lowers energy burden.

22. Can those positive outcomes be replicated or extended to other groups? If so, which groups may benefit?

It would benefit anyone in the utility service territory, but the program would be intended to prioritize low-income or other underserved communities.

24. Does the proposal enhance services to underrepresented or underserved communities?

Yes. See above, although final program design being developed.

MITIGATING ADVERSE IMPACTS

25. Could a disparate racial impact or other unintended consequence result from the proposal?

a. If yes, what steps are you taking to mitigate the disparate impact?

b. Beyond the steps describes in part (a) of this question, what additional steps could any entity take to mitigate the disparate impact?

Yes. The proposal could lead to incentives or services for higher income individuals, or businesses, in a service territory. However, it is expected that no cost increases to non-participating ratepayers would occur. We are mitigating the potential to only serve those ratepayers by seeking to prioritize lower income ratepayers in program design. Additional steps could include collecting demographic data and ensuring that there is equitable participation across all ratepayer income brackets or other demographics.

26. Is there a disparate impact for any other marginalized group (including but not limited to groups identified by national origin, religion, sexual orientation, gender identity or expression, age, etc.)?

a. If yes, what steps are you taking to mitigate the disparate impact?

b. Beyond the steps describes in part (a) of this question, what additional steps could be taken to mitigate the disparate impact?

Not that we are aware of.

GLOSSARY

Minority- or Women-Owned Business Enterprise (M/WBE): Businesses that are at least 51% owned and substantially managed by people of color and/or people identifying as women

Disadvantaged Business Enterprise (DBE): As defined by the U.S. Department of Transportation, DBEs are “for-profit small business concerns where socially and economically disadvantaged individuals own at least a 51% interest and also control management and daily business operations. African Americans, Hispanics, Native Americans, Asian-Pacific and Subcontinent Asian Americans, and women are presumed to be socially and economically disadvantaged. Other individuals can also qualify as socially and economically disadvantaged[...].”

Marginalized population/group: Communities or groups that have historically experienced systemic barriers to access, resources, and infrastructure investments. It may include communities of color, women, sexual orientation, transgender individuals who identify along the gender spectrum, immigrants and refugees, people with disabilities and others who have received limited access to benefits, services, investments, and resources from public/private institutions, including the State of Vermont.

Equity: The condition that would be achieved when a person’s race or other demographic group membership is no longer predictive of that person’s life outcome.

STATE OF VERMONT

EQUITY IMPACT ASSESSMENT TOOL

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At a minimum you must answer the bolded questions: 1-8, 12, 14-15, 17, 21 -22, 24-25

PROPOSAL BACKGROUND

- 1.** Briefly describe the proposal. Include background information regarding the problem the proposal is intended to address.

The Department of Public Service seeks state funding to cover grants to Vermont residents for the extension of broadband services to their home. Under the Line Extension Consumer Assistance Program, residents

- 2.** Is the proposal related to COVID-19 response or recovery?

Yes

- a.** If so, is there federal or other COVID-19-related funding that may support the proposal?

This request is being made to replace CRF dollars that expire on 12/30. The projects under consideration here cannot be completed in calendar year '21. Significant amounts of SFR funding was appropriated to broadband generally, but none of that funding can be used to cover these projects. ARP money could be applied to these projects if the legislature saw fit to do so.

- 3.** What are the intended outcomes of the proposal?

The intended outcome of the proposal is to do line extensions of cable services to residents' homes. This appropriation would support an extension of the CRF funded line extension program. All line extensions supported with the appropriation were already initiated in 2021.

- 4.** What are the consequences of not implementing this proposal?

The residents who stand to benefit from the program have no other way of obtaining broadband for work, remote learning, and telehealth.

- 5.** Are there fiscal implications of this bill for the Agency/Department? If yes, please describe.

- 6.** Is the policy evidence-informed?

The policy was vetted during the program development phase. It has proven to be a useful tool for residents who live very close to existing broadband networks. The program suffered from the budgetary restraints of CRF which placed expiration dates on the use of funding.

STRATEGIC PLAN, METRICS, GOALS, INDICATORS

- 7.** Does this proposal advance a strategic goal and/or key performance indicator of your Agency/Department, or State Government, as defined here: <https://strategicplan.vermont.gov/>. If yes, which?

The proposal expands the goal of universal access to advanced telecommunications services for every Vermonter.

- 8.** Are the desired outcomes specific and measurable?

The Department measures access to broadband at speeds of 25/3.

- 9.** Do you have sufficient population-level data to understand whether the proposal would address or create any racial disparities?

The program does not use population level demographic data.

- a. If not, what data would be needed?

- 10.** If implemented, can you collect disaggregated demographic data, track it, and evaluate it to assess equity impacts?

Yes, if the PSD collected such data, it could track the racial impact of the program.

- 11.** Are there staff trained to analyze the data related to the proposal?

No.

Inter-Agency or Multi-Sectoral Collaboration

- 12.** Which other agencies (SOV or non-SOV) may have an interest in this proposal or its outcomes?

The Vermont Community Broadband Board, The Agency of Education, and Commerce and Community Development.

- 13.** Does the proposal encourage or prioritize contractors led by members of marginalized groups?

This may include but is not limited to vendors designated as Minority- or Women-Owned Business Enterprises or Disadvantaged Business Enterprises. No.

STAKEHOLDERS AND IMPACTED POPULATIONS

- 14.** Describe the proposal's target population. Include demographic information such as race, ethnicity, sexual orientation, gender identity or expression, age, etc.

The proposal targets residential premises with no broadband at 25/3 Mbps.

15. How was this target population selected?
16. Did you meaningfully consult with community members in developing this proposal?
 - a. If so, how?
 - b. If so, did those community members include persons of color?
17. What geographic areas of the state will be most impacted by the proposal?
 - a. Is there a larger-than-average population of Vermonters of color in those areas?
18. How will the proposal incorporate cultural concerns of specific groups? (i.e. use of traditional healing practices, use of culturally appropriate diagnostic assessment tools, etc)?
19. Will public written materials generated through this proposal be translated?
 - a. If so, in which languages?
 - b. If not, why?
20. Does the proposal involve a social marketing strategy for the target population? Describe.

BENEFITS AND BURDENS

ADVANCING EQUITABLE IMPACTS

21. Does the proposal seek to reduce disparities for marginalized or underserved groups? If so, how? Rural residents, especially poorer rural areas are chronically underserved with broadband. The LECAP program attempts to address those disparities by providing assistance to the consumer to have line expanded
22. What are the anticipated positive outcomes for the target population?
The program aims to increase the penetration of broadband networks deeper into rural communities.
23. Can those positive outcomes be replicated or extended to other groups? If so, which groups may benefit? Yes. The line extension program could be applied anywhere where there isn't 25/3 Mbps broadband service.
24. Does the proposal enhance services to underrepresented or underserved communities?
Yes. The proposal enhances services to communities underserved with broadband, and with it, comes the ability to access additional educational opportunities, healthcare, and employment.

MITIGATING ADVERSE IMPACTS

25. Could a disparate racial impact or other unintended consequence result from the proposal?
No, Staff does not see a disparate racial impact or other unintended consequence from the program.
 - a. If yes, what steps are you taking to mitigate the disparate impact?
 - b. Beyond the steps describes in part (a) of this question, what additional steps could any entity take to mitigate the disparate impact?
26. Is there a disparate impact for any other marginalized group (including but not limited to groups identified by national origin, religion, sexual orientation, gender identity or expression, age, etc.)?

No. Broadband is considered an essential service that everyone should be able to access.

- a. If yes, what steps are you taking to mitigate the disparate impact?
- b. Beyond the steps describes in part (a) of this question, what additional steps could be taken to mitigate the disparate impact?

Minority- or Women-Owned Business Enterprise (M/WBE): Businesses that are at least 51% owned and substantially managed by people of color and/or people identifying as women

Disadvantaged Business Enterprise (DBE): As defined by the U.S. Department of Transportation, DBEs are “for-profit small business concerns where socially and economically disadvantaged individuals own at least a 51% interest and also control management and daily business operations. African Americans, Hispanics, Native Americans, Asian-Pacific and Subcontinent Asian Americans, and women are presumed to be socially and economically disadvantaged. Other individuals can also qualify as socially and economically disadvantaged[...].”

Marginalized population/group: Communities or groups that have historically experienced systemic barriers to access, resources, and infrastructure investments. It may include communities of color, women, sexual orientation, transgender individuals who identify along the gender spectrum, immigrants and refugees, people with disabilities and others who have received limited access to benefits, services, investments and resources from public/private institutions, including the State of Vermont.

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PROPOSAL BACKGROUND

1. Briefly describe the proposal. Include background information regarding the problem the proposal is intended to address.

Basic levels of electric service, internal wiring, and modern service panels for homes are essential for enabling fuel switching to electric technologies such as heat pumps and electric vehicles. Necessary upgrades in these areas are identified as a barrier to future clean energy technology adoption by both the Comprehensive Energy Plan and the Climate Action Plan. Income sensitive Vermonters are more unlikely to otherwise implement such enabling upgrades. **Is the proposal related to COVID-19 response or recovery?**

a. If so, is there federal or other COVID-19-related funding that may support the proposal?

Yes. This would be eligible for American Rescue Plan Act funding. \$20 million is proposed as a start. (note, the need is much more significant).

2. What are the intended outcomes of the proposal?

Improve the electric service upgrades for income sensitive homes, particularly where it facilitates the interconnect of electric technologies (e.g. EVs, heat pumps). At an estimated average of \$3,000 per home, this funding could reach ~6,000 homes.

3. What are the consequences of not implementing this proposal?

The legislature allocates funding elsewhere. This proposal is expected to expand access to innovative electrification measures to all Vermonters, regardless of income.

4. Are there fiscal implications of this bill for the Agency/Department? If yes, please describe.

Not to the general fund budget (if allocated via Public Service Dept, not to our GRT funded budget), as these are ARPA dollars to be allocated.

5. Is the policy evidence-informed?

The proposal is informed by the public engagement process held for the Comprehensive Energy Plan Development, and the Climate Action Plan. The Vermont Climate Council identified need for 5-8X this

amount. Utility groups have already identified this need as well, as current utility tariffs put the responsibility of the types of electric service upgrades within the home onto the customer.

STRATEGIC PLAN, METRICS, GOALS, INDICATORS

- 6. Does this proposal advance a strategic goal and/or key performance indicator of your Agency/Department, or State Government, as defined here: <https://strategicplan.vermont.gov/>. If yes, which?**

Economic Development; Making Vermont more Affordable

- 7. Are the desired outcomes specific and measurable?**

Yes. For example, number of homes with electric service upgrades completed.

9. Do you have sufficient population-level data to understand whether the proposal would address or create any racial disparities?
a. If not, what data would be needed?

No. Demographics (race, income) by utility service territory. Office of Economic Opportunity has begun to collect data for their participants. The OEO program could provide referrals for this work to be done in conjunction with Weatherization (although not delivered by OEO).

10. If implemented, can you collect disaggregated demographic data, track it, and evaluate it to assess equity impacts?

Perhaps. It depends on the final shape of the program, and disclosure requirements (and whether those requirements become a barrier for participation).

11. Are there staff trained to analyze the data related to the proposal?

Yes.

Inter-Agency or Multi-Sectoral Collaboration

12. Which other agencies (SOV or non-SOV) may have an interest in this proposal or its outcomes?

OEO due to the potential link to Weatherization. ANR as it relates to recommendations of the Climate Action Plan. AOT as to the ability of homes to charge electric vehicles.

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The proposal could lead to a solicitation for third -party vendors. This solicitation could encourage or prioritize contractors led by members of marginalized groups.

STAKEHOLDERS AND IMPACTED POPULATIONS

- 14. Describe the proposal's target population. Include demographic information such as race, ethnicity, sexual orientation, gender identity or expression, age, etc.**

The target population encompasses low to moderate income Vermonters.

15. How was this target population selected?

The target population was selected to ensure that electrification is not just something that the affluent can afford.

16. Did you meaningfully consult with community members in developing this proposal?

- a. If so, how?
- b. If so, did those community members include persons of color?

Not specifically to this topic. Generally, during the Climate Action Plan / Comprehensive Energy Plan public engagement process, where we heard “who is going to pay” and the need to make energy transition affordable for Vermonters.

16. What geographic areas of the state will be most impacted by the proposal?

To be determined, but either statewide, or if prioritization is needed it could be based on town energy burden.

a. Is there a larger-than-average population of Vermonters of color in those areas?

Unknown.

17. How will the proposal incorporate cultural concerns of specific groups? (i.e., use of traditional healing practices, use of culturally appropriate diagnostic assessment tools, etc.)?

To be determined as program design is developed.

18. Will public written materials generated through this proposal be translated?

- a. If so, in which languages?
- b. If not, why?

To be determined as program design is developed.

19. Does the proposal involve a social marketing strategy for the target population? Describe.

BENEFITS AND BURDENS

ADVANCING EQUITABLE IMPACTS

20. Does the proposal seek to reduce disparities for marginalized or underserved groups? If so, how? Yes – it seeks to facilitate the offering of electrification technologies to income-sensitive Vermonters who might not otherwise be able to afford the shift to cleaner energy uses.

21. What are the anticipated positive outcomes for the target population?

Opportunity to participate in programs and receive incentives that help lower their electricity costs and energy burden. Overall lower costs to all ratepayers which lowers energy burden.

22. Can those positive outcomes be replicated or extended to other groups? If so, which groups may benefit?

To the extent electrification is pursued following a service upgrade, all ratepayers could benefit from downward pressure on rates.

24. Does the proposal enhance services to underrepresented or underserved communities?

Yes. See above, although final program design being developed.

MITIGATING ADVERSE IMPACTS

25. Could a disparate racial impact or other unintended consequence result from the proposal?

a. If yes, what steps are you taking to mitigate the disparate impact?

b. Beyond the steps describes in part (a) of this question, what additional steps could any entity take to mitigate the disparate impact?

The focus on income sensitive Vermonters limits unintended consequences. Demographic targeting of these funds may not be possible, but if so, that could mitigate any disparate impact.

26. Is there a disparate impact for any other marginalized group (including but not limited to groups identified by national origin, religion, sexual orientation, gender identity or expression, age, etc.)?

a. If yes, what steps are you taking to mitigate the disparate impact?

b. Beyond the steps describes in part (a) of this question, what additional steps could be taken to mitigate the disparate impact?

Not that we are aware of.

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Equity: The condition that would be achieved when a person’s race or other demographic group membership is no longer predictive of that person’s life outcome.