

### What is Energy Democracy?

Imagine a community of farmers in the heartland harnessing the wind for clean, reliable power or an urban neighborhood generating solar energy in a public space that feeds the energy needs of a whole community. This is a future that is possible today. It's a future of people coming together, solving local, national and global problems. We call this **Energy Democracy and it produces solutions for everyone.**

Energy democracy means that **community residents are innovators, planners, and decision-makers on how to create and use energy** that is local and renewable. By making our energy solutions more democratic, we can make places environmentally healthier, reduce mounting energy costs so that families can take better care of their needs, and help stem the tide of climate change.



To create this future today, we need an “all hands on deck” approach and this requires that we recognize that all Americans have a role to play, including people of color. **There are no effective national solutions that exclude people of color because a majority of the US population will soon be Latino, Black, Asian/Pacific Islander, and Native American.** Policies, capacity-building, and engagement around green energy solutions must support diverse communities to ensure meaningful innovation so that these solutions can be scaled for more impact.

### What is the Problem?



**Climate change is affecting us all and we are in danger of leaving a poorer environment and weaker economy for our children.** We are already seeing the effects from unseasonal weather in the Northeast to violent winter tornadoes in the South. This costs us precious lives and costly rebuilding. It shuts small and large businesses and has devastated whole cities, like New Orleans and Biloxi, and small towns alike.

From the Keystone pipeline to off-shore drilling, we continue to rely on companies who are not always responsive to community needs and concerns. Large corporations cannot be the whole solution because they obligate themselves to shareholder profits, not our children's health.

We have the ability to be more creative. New technologies like wind, solar, and geothermal generation are promising. They are not only cleaner and long lasting, they can also fuel new economic growth – new factories, new jobs to transport and install new technologies, and more local businesses to support a renewable energy economy. **By supporting local, made-in-the-USA renewable energy, we will avert crisis and build a bright future for all.**

## Why won't our current renewable energy solutions achieve a true Energy Democracy?



Much of our current energy policy focuses on rewarding individuals for lower carbon lifestyles – conserving energy or putting solar panels on our homes. Far too small a percentage of Americans can take advantage of these policies.

And while many communities are working hard to innovate and lead the way, **the movement of community-driven solutions is fighting to solve problems with too little help to speed the pace**, particularly in communities of color, who face extra barriers in ownership, financing, and access to technology.

*Most ownership opportunities are reserved for homeowners:*

- The federal production tax credit that finances renewable energy products only applies to homeowners – **shutting out 25% of Whites and over 50% of people of color.**

*People of color lack access to financing to support green businesses:*

- In the last five years, equity for Black-, Latino-, or Asian-owned businesses plummeted by more than 50%, weakening the ability to leverage assets for private capital, which is an essential task for entrepreneurs.

*Data around renewable energy capacity is not reliable or always accessible:*

- Communities often lack accessible information and technical assistance regarding technologies, practices, and policies, which limit a community's ability to participate in local energy planning.

## What solutions have the potential to solve this problem?

We need solutions that ensure that all of us can participate and address the barriers impacting the most marginalized. One simple step would be for the federal government to extend **production tax credits** to include community-owned projects. Another step is for Federal, State, and Local governments to create *community-focused Energy Improvement Districts (EIDs)*. EIDs allow us to:



- Designate tracts of land for rezoning and investment to encourage communities to utilize common and private spaces to meet their energy needs.
- Provide financing options, such as bonding, to finance renewable energy projects.
- Utilize traditional organizing spaces, like places of worship and nonprofits as both: conduits for community participation, and physical locations for energy generation projects.

EIDs should employ racially-explicit equity metrics to identify which communities need investment and measure the impacts of energy efficiency and production in communities of color. EIDs also should ensure that all community members from property owners to tenants have a role in the decision-making process.

Today, we can start building a more sustainable future. For more information, please read our new report: ***Energy Democracy: Supporting Community Innovation*** on our website.