

Toward a Climate Justice Energy Platform: Democratizing Our Energy Future



By

Al Weinrub

Coordinator

[Local Clean Energy Alliance](#)



Anthony Giancatarino

Directory of Policy and Strategy

[Center for Social Inclusion](#)



December 2015

“The crisis affecting the world...is a crisis of civilization and of an economic model. It’s the crisis of a way of life, of a pattern of consumption that’s ending life of the planet and taking with it the rights of the people and the possibility of future generations. Furthermore, the neoliberal domination of the past thirty years has resulted in the abduction of political and economic institutions, as well as the state institutions that should serve society. All are co-opted by the interest of large corporations.”

Jesus Ramirez Cuevas,

Editor of *Regeneración*, newspaper of the Movement for National Renewal (MORENA), Mexico

Quoted in [Until the Rulers Obey](#), edited by Clifton Ross and Marcy Rein, PM Press, 2014

“The worst impacts of extreme weather follow racial lines with the same devastating precision as the decision about whether to employ lethal police force...If the current race-based hierarchy of humanity is left unchallenged, then we can be certain that our governments will continue...to allow for the sacrifice of ever more people, ever more ancient culture, languages, countries...If black lives matter—and they do—then global warming is already a five-alarm fire, and the lives it has taken already are too many.”

Naomi Klein,

Excerpted from [Why #BlackLivesMatter Should Transform the Climate Debate](#), *The Nation* magazine, December 12, 2014.

“These [power structures] operate from an economic system that objectifies, commodifies, privatizes and puts a monetary value on land, water, air, forests, plants and practically all life...The subordination of the Web of Life to the chains of the markets and growth of the corporate-led system erodes the primary means of existence on this planet, which is rooted in the diversity of life itself.”

Tom Goldtooth,

Executive Director, Indigenous Environmental Network

Excerpted from [Paths Beyond Paris: Movements, Action and Solidarity Towards Climate Justice](#), Carbon Trade Watch, December 2015

Introduction

In response to the increasingly serious impacts of climate change, people around the world are attempting to wrest control of energy resources from the powerful institutions that are hell-bent on driving humanity to the brink of extinction.

The growing popular movement to address the world's climate and economic crisis is widespread, and takes many forms. Yet all reflect an effort by concerned citizens to exercise more control over energy decisions and to self-determine a sustainable, life-supporting energy future.

While this effort is expressed in the movement to confront and stop increasingly extreme fossil-fuel extraction, shipment, and consumption, and to transition to a 100% renewable energy system, its most powerful expression is in advocating for an alternative to the energy establishment's centralized, corporate, utility-scale renewable energy model. That alternative is a decentralized, democratized, community-based renewable energy model, one aligned with a climate justice strategy for addressing our current climate and economic crisis.

This paper is offered as a contribution to a national discussion regarding an energy platform that would strengthen the climate justice movement in the United States and propel development of the recently-formed national [Energy Democracy Project](#).

Vision of a Democratized Energy Future

Energy, like water and land, is a natural resource that is basic to life and to all human activity. The harnessing of that resource under the current economic and political system has meant the commodification of energy to further the needs of capital accumulation rather than to meet human needs. The fact that renewable energy, in one form or another, is available almost everywhere offers the possibility of democratizing that resource. That means communities can harness renewable energy resources to support new local living economies focused on improving community well-being, especially in low-income communities and communities of color that have been most negatively impacted by the current extractive fossil-fuel economy.

This vision of a democratized energy future includes an informed and conscious community that understands the right relationship of people to natural resources and the need to live in ecological balance—a community that appreciates the importance of local renewable energy resources to enhancing economic life and promoting community development. Hence, energy would not simply be a commodity, but a democratically controlled, common resource for enriching and servicing our communities.

Within this vision, communities would strive to consume significantly less energy. They would actively and consciously reduce energy consumption and greenhouse gas emissions by making homes and businesses more energy efficient, installing renewable systems, reducing waste, prioritizing efficient public transportation, and adopting other such measures. This is part of a general sensibility about the necessity to conserve all resources, including water and other material resources, so as to enable the Earth to maintain a life-sustaining ecosystem.

Communities would be powered by renewable energy, with the majority coming from community-based decentralized electricity generation that provides affordable, reliable, and clean power to meet community needs. Owned and controlled by the community, renewable energy would be used to develop the community: investing in equitable sustainable businesses,

providing family-sustaining clean energy jobs, powering schools and other public spaces, supplying power for urban food systems and public transportation, and strengthening community self-sufficiency and resilience.

On this basis the community would have the means to create healthy jobs, reduce and prevent industrial pollution, provide open space and organic food, develop affordable housing, preserve local culture, and conduct community-led planning to sustain a vibrant future. Community life is revitalized and rebuilt around public gathering places, community projects and activities that enhance the public good, all of which serve to enrich social relations, enhance social justice, and build social cohesion.

Energy and Climate Justice

An international labor roundtable¹ in October 2012 framed the struggle for a global energy transition as an issue of democracy: "An energy transition can only occur if there is a decisive shift in power towards workers, communities and the public—*energy democracy*. A transfer of resources, capital and infrastructure from private hands to a democratically controlled public sector will need to occur in order to ensure that a truly sustainable energy system is developed in the decades ahead..."²

Energy Democracy is seen as a way to frame the struggle of working people, low-income communities, and communities of color to take control of energy resources from the energy establishment and use those resources to empower their communities—energetically, economically, and politically. This framing is a critical foundation for dismantling the economic and racial inequalities that the fossil-fuel based economic system continues to reproduce.

Racialized Impact of the Fossil-Fuel Economy

Land and other resource exploitation and cheap, free, or forced labor have powered the U.S. economy since colonial times. First, settlers took and accumulated Indigenous lands—reaping the benefits and resources, while marginalizing and effectively wiping out many tribal communities. Then, in the 1700s and early 1800s, the institution of slavery became the driver of economic growth. The rise of fossil-fuel power in the next two centuries was a key factor in replacing the slave system of production with free labor and in industrializing and commercializing the economy.

The result was the westward expansion, growth of urban centers, rise of monopoly capitalism, concentration of wealth, migration and immigration of working class people and people of color, segregation, and creation of urban slums.

More recently, as the United States sought to recover from the Great Depression—the opportunity to self-correct the past wrongs of slavery, discrimination, and grotesque accumulation of wealth by the few was halted along racial lines. Social security policies sought to bar domestic and agricultural workers from benefits—leaving out nearly three-fourths of Black Americans and many recent European immigrant families. In the 1950s housing policies, redlining and financial disinvestment, transportation policies and suburbanization created a new

¹ See <http://energydemocracyinitiative.org/>

² Sean Sweeney, *Resist, Reclaim, Restructure: Unions and the Struggle for Energy Democracy*, October 2012 [<http://energydemocracyinitiative.org/required-reading-roundtable-discussion-document/>], Executive Summary

level of discrimination—one directly fueled by a dirty energy economy. Many Black and Latino communities were left to live in industrial zones, near toxic release sites and coal burning power plants. The power relations between polluters and frontline communities—especially communities of color and low-income communities—inhibited communities’ ability to address these issues, and gave rise to the U.S. environmental justice movement.

And in the most recent period, low-wage labor and cheap fossil-fuel energy sources like coal and oil, have been the basis of globalized capitalism, intensified assaults on the environment, especially for low-income people, and expanded U.S. militarism, all of which has led to de-industrialization in the U.S., the fiscal crisis of the state, the global climate crisis, de-funding of social services, a resurgent racism, and a more authoritarian state apparatus—all of which have disproportionately impacted people of color in the U.S.

These trends in the U.S., fueled by a carbon-based energy economy, have mirrored the assault on communities of color around the world, through the extraction of their resources and exploitation of their labor, and by turning their communities into sacrifice zones for an expanding global capitalist economy..

Today, the legacies of discrimination and racialized practices in the U.S. have created deep inequities that make it difficult for communities of color, Indigenous communities, low-income communities, and other marginalized communities to participate in the struggle to address our greatest threat so far—a changing climate in an economically unsustainable world. However, that participation is key to a democratic and just economy and a democratic and just energy future.

A Strategy for Confronting the Corporate Energy Agenda

A large number of climate activist organizations are engaged in efforts to contain the fossil-fuel establishment’s increasingly desperate program of extreme energy extraction, climate destabilization, and environmental destruction, all geared toward further concentration of wealth and power.

Many of these activist organizations have the goal of reducing greenhouse gas emissions or even transitioning to a de-carbonized energy system. Struggles against the further development of extreme energy are on the increase. In the U.S., opposition to the Keystone XL pipeline, deep ocean drilling, Arctic drilling, tar sands exploitation, coal exports, hydraulic fracturing (‘fracking’), and new coal-fired power stations is increasingly visible and, to some degree, has been effective.

This opposition has awakened many people, politicized them around energy and climate issues, fueled an increasingly powerful grassroots opposition to the corporate energy agenda, and laid the groundwork for a more expansive societal critique. However, these movements are still mainly reactive and have exhibited, for the most part, only a limited political vision that does not address important social and economic issues.

For example, major parts of this movement fail to confront the capitalist growth imperative that jeopardizes the world’s ecosystem, or to address the globalized exploitation of human and natural resources that leaves billions of people struggling to survive, or to fully appreciate how climate disruption and gross economic disparities are so closely linked.

Other forces within this movement, however, see resistance to the corporate energy agenda as a struggle for social, racial, and economic justice. They see this resistance as a key front in the battle to transform an economic system that has used fossil-fuel energy as the driver of capital accumulation and ecosystem destruction. For these forces, the struggle against the extreme

fossil-fuel agenda is a struggle for community health, community resilience, and community empowerment. The struggle is not simply to de-carbonize the economic system, but also to *transform* it.

Broadly speaking therefore, resistance to the corporate energy agenda encompasses two very different political strategies for addressing the world’s climate crisis: the De-carbonized Growth strategy, which seeks to de-carbonize the current economic system without fundamentally changing it, and the Climate & Economic Justice strategy, which seeks a justice-based (“just”) transition to a new, de-carbonized, ecologically-sound, life-sustaining economic system that can serve the needs of the world’s peoples.³

These two strategies represent roads that run in opposite directions. They reflect different analytical and political perspectives, programmatic approaches, and socio-economic interests, as illustrated in Table 1.

Table 1: Two Strategic Frameworks for Addressing the World’s Economic and Climate Crisis

Category	Climate & Economic Justice Strategy	De-carbonized Growth Strategy
Analysis of the Crisis	The economic and climate crises are inextricably linked—an integrated crisis reflecting the collision of globalized capitalism with the Earth’s ecological limits.	The climate crisis is separate from the economic crisis. This implies that the climate crisis can be resolved without addressing the economic crisis, and <i>vice versa</i> .
Solution to the Crisis	Replace the globalized capitalist system and its inherent growth dynamic with sustainable economic development based on renewable energy to meet the needs of human beings, rather than the needs of capital accumulation.	The solution to the <i>climate</i> crisis is to replace fossil fuel energy with renewable energy in order to transition to a de-carbonized capitalism. The solution to the <i>economic</i> crisis is seen as a separate matter.
Program	Create an alternative, equitable, social and economic order based on democratic principles and an energy platform that seeks to replace the corporate energy establishment with alternative institutions.	Reduce greenhouse gas emissions—mainly through market mechanisms and new technology, but within the current structure of corporate economic and political power.
Social base	Those worst impacted by globalized capitalism: workers, low-income communities, and communities of color	Those who have benefitted enough from the current globalized capitalist system to be economically secure or privileged relative to those struggling to survive.
Role of energy	Energy is a resource, a basic enabler of economic life—to be democratized and harnessed to meet human needs and transition the world to an ecologically sustainable economic future.	Energy is a commodity, the basic enabler of capital accumulation and an expanding growth economy, all of which increases the contradictions of the existing economic and political system.

³ Al Weinrub, *Labor’s Stake in Decentralized Energy*, page 4 [<http://energydemocracyinitiative.org/wp-content/uploads/2012/10/Labors-Stake-10-22-121.pdf>]

In the context of these two divergent strategies, renewable energy can play a very different role, depending on whose interests it serves. Accordingly, a simplified, undifferentiated notion of *renewable* energy is not sufficient to inform an energy policy, program, or strategy. Rather, it is necessary to look at the political economy of renewable energy: that is, who is developing the energy, on whose behalf, for what purpose, and to whose benefit.⁴

Community Power

There are two very different models for renewable electrical energy generation and use. One—the corporate centralized renewable energy model—is the legacy model characteristic of fossil-fuel electrical energy production. This model represents continued corporate empowerment. The other—the decentralized renewable energy model—allows control and ownership of renewable energy resources to reside in the community, rather than in corporate hands. This model represents an opportunity for community empowerment.

Centralized Renewable Energy

The centralized renewable energy model is based on large, utility-scale, centralized generating systems—big solar PV plantations and large wind farms—which are the product of concentrated financial and economic power. Only on rare occasions are centralized energy developments the result of democratic action of communities. And in such cases, a centralized energy system can provide economic wealth-building and political democracy for communities. However, in most cases centralized energy development represents the interests of powerful economic forces aided by a corporate state apparatus unfettered by democratic restraints.⁵

Centralized renewable energy is the model of choice for the De-carbonized Growth strategy and its drive for continued capital accumulation. That strategy emphasizes a transition to industrial-scale carbon-free energy resources without challenging the growth of energy consumption, material consumption, rates of capital accumulation, and the concentration of wealth and power in the hands of a few.

Decentralized Renewable Energy

By contrast, the decentralized renewable energy model enables community-based renewable energy development. It is the model upon which a Climate and Economic Justice strategy can be based. It allows for the new economic and ecologically-sound relationships needed to address the current economic and climate crisis.

As indicated above, the Climate and Economic Justice strategy involves not only the shift from fossil-fuel power to renewable power, but also the shift from corporate control of energy systems to more democratically controlled energy systems. Democratic control of *renewable* energy resources, in particular, is facilitated by the fact that renewable resources are *distributed*: solar, wind, biomass, energy conservation, and energy efficiency are resources found to some degree in all communities. This provides a basis for community-based *decentralized* development of these resources at the local level through popular initiatives.

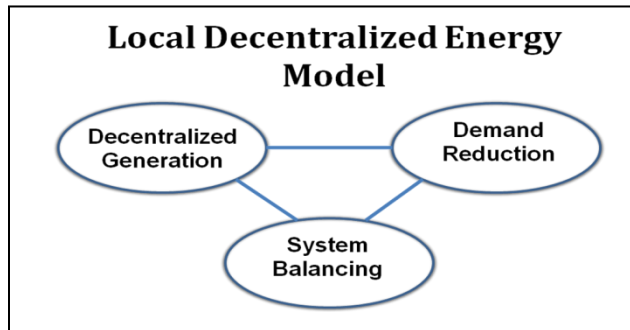
⁴ See <http://communitypowerbook.com/2012/02/the-meaning-of-green-energy/>

⁵ Two days after the historic climate march in New York City calling for climate action, Federal and California State officials released an 8,000 page proposal for renewable energy development on 22.5 million acres of California desert. See Carolyn Lochhead, *Energy plan calls for big renewables projects in state's deserts*, September 23, 2014 [<http://www.sfgate.com/green/article/Sprawling-solar-farms-OKd-near-desert-national-5775871.php>]

The decentralized renewable energy model⁶ represents a global energy revolution that has begun to gain traction,⁷ though powerful forces are working overtime to maintain and breathe new life into the legacy centralized energy model.

Physically speaking, decentralized energy consists of three components: decentralized electricity generation, demand reduction, and system balancing, as shown in Figure 1.

Figure 1: Graphical Representation of a Decentralized Energy System



- **Decentralized Generation:** This refers to renewable electricity generation, usually smaller scale, located on existing structures or vacant or contaminated land close to the point of electricity consumption, so that delivery over high-voltage transmission lines is not required. The renewable energy source can be whatever is naturally available in the geographical region, for example, solar, wind, geothermal, small hydro, combined heat and power, or biomass/biogas.

In the case of solar photovoltaic generation, for example, it can consist of installations on rooftops, carports, brown-fields, rail or highway right-of-ways, and so forth. It might be as small as a few Kilowatt system on a residential building, a 1 Megawatt system on a large commercial building (like a large box store), or a ground-mounted 5 Megawatt or larger system using degraded industrial land.

- **Demand Reduction:** This refers to many technologies for reducing the consumption of electricity. It might include, for example, conservation (turn off the lights), energy efficiency (more efficient light bulbs), substitution (use natural light when possible), demand response (not everyone turns on the lights at the same time), and simply eliminating built-in obsolescence or other forms of waste that consume electricity (one good light emitter that lasts as long as ten poor ones).

Demand reduction is perhaps the most important component of a decentralized energy system. The cheapest electricity is the electricity that is never produced. The cost of retrofitting buildings, for example, to conserve energy is typically one quarter to one half the cost of generating the equivalent amount of electricity. Reducing electricity consumption is also the surest way to phase out fossil-fuel electricity.

⁶ A ten-minute video describing decentralized energy systems and their community benefits can be found at: <http://www.youtube.com/watch?v=HvuXxyKSh3A>

⁷ U.S. Federal Energy Regulatory Commission Chairman John Wellinohoff says that the nations' electrical future may well belong to distributed generation such as rooftop solar, rather than central power stations and generators far from demand. "It's going to be a race between the two types of renewable resources," said Wellinohof. "Right now, I'd put my money on distributed resources." Quoted by Chris Clarke, September 6, 2012 (<http://www.kcet.org/news/rewire/the-grid/federal-energy-expert-backing-distributed-generation.html>)

- **System Balancing:** This refers to coordination of supply and demand. Because generation from renewable sources varies over the course of the day and year and electricity consumption follows patterns of peaks and lows throughout the day and year, it is necessary to balance the generation and consumption of electricity to optimize energy resources.

The balancing involves a number of strategies and technologies. Increasingly competitive battery storage is a key element in filling the voids between variable energy generation and demand. However demand response technology—by which consumption is altered according to the availability of supply—provides a huge opportunity to better utilize generating capacity and reduce costs. Many communication and grid stabilization technologies—called “smart grid” technologies—are under development. These will allow utilities to upgrade the electrical distribution system to support demand response strategies and provide the bi-directional flow of electricity and information needed for balancing a decentralized energy system.

Decentralized energy systems are designed to utilize local energy resources, both demand reduction and new generation, along with smart system balancing, to meet the electricity needs of their host communities.⁸ While this approach can require a great deal of new investment to achieve net-zero energy targets (that is, the community generates what it consumes), the investment can be readily paid off through electricity revenues and utility bill savings.

The decentralized renewable energy model provides a powerful alternative to the current centralized energy model—one that can be more ecologically sound, more economically beneficial to communities, more effective in creating local employment, more sustainable, and more *possible for communities to participate in the control of their energy resources*.⁹

Hence, this model is the energy foundation for democratic living economies which can reduce energy and material consumption to within the Earth’s ecological limits, distribute wealth and power more equitably, and serve societal needs.¹⁰

In this context, centralized and decentralized renewable energy systems are not simply different physical energy systems, but represent quite different socio-economic models with different political economies and different potentials for democratic control.

Principles of Democratized Energy Development

The previous description of decentralized energy systems focused on the physical characteristics of such systems. However, in thinking about community-based decentralized energy resource development, there are a number of principles that express how energy development can advance democracy and promote the empowerment of working class communities, low-income communities, and communities of color.

⁸ There are many studies that reflect the technical potential of decentralized energy systems. For example, see *U.S. Renewable Energy Technical Potentials*, National Renewable Energy Laboratory, July 2012 (<http://www.nrel.gov/docs/fy12osti/51946.pdf>) and *Bay Area Smart Energy 2020*, March 2012 (<http://pacificenvironment.org/-1-87>)

⁹ For detailed arguments about the benefits of decentralized energy systems, see: *Community Power: Decentralized Renewable Energy in California* [<http://communitypowerbook.com/>]

¹⁰ Al Weinrub, loc cit, page 11

Development of community-based decentralized energy should be guided by the following broad principles:

1. **Social Justice and Equity:** making sure that local energy resources benefit working class communities, low-income communities, Indigenous communities, and communities of color.
2. **Energy Democracy:** enabling community ownership and control of energy resources, with shared leadership and decision-making authority that involves all stakeholder communities.
3. **Clean Energy Jobs and Family-Sustaining Livelihoods:** creating local jobs, new businesses, and new ownership opportunities that help improve the environment and restore the economies of our communities.
4. **Workforce Development:** committing to workforce development programs that create family-sustaining jobs for local residents, especially for those historically disadvantaged and most vulnerable to poverty and pollution.
5. **Sustainability:** respecting ecological interdependence and the limited restorative capacity of the biosphere, while creating the environmental conditions needed to support present and future generations.
6. **Healthy Communities:** supporting locally resilient, healthy foods systems; affordable, reliable, and accessible public transportation; clean air; clean water; and safe, efficient, affordable housing.
7. **Community Resilience:** strengthening vulnerable communities to prepare for disaster and withstand the impacts of climate change.
8. **Social Safety Net:** making special provisions for those people unable to afford energy services at normal rates.
9. **Precautionary Principle:** accepting that a project, policy, or decision should not be pursued if its impact on human or environmental health is risky or unknown.

On the basis of these principles, communities can build renewable energy projects that contribute to vibrant and equitable regional economies through the clean energy jobs created by energy efficiency, local energy generation, and local green businesses. Communities source their own power and cooperatively build their renewable energy infrastructure.

A Platform to Advance Energy Democracy

The formulation of a platform to advance energy democracy flows from analyzing and overcoming the many significant barriers to community-based decentralized energy development.

After discussing a number of issues related to developing an energy democracy platform and setting criteria that this platform should meet, this paper will suggest a number of specific platform policies and programs.

Platform Issues

The path to community-based, democratized energy systems involves both a struggle against environmentally destructive, polluting, extreme energy as well as the struggle to create community-based decentralized energy systems.

The struggle to end fossil-fuel energy production is an arena in which communities, especially frontline communities, have been actively engaged for many years. These struggles involve direct action mobilizations, pressuring regulatory agencies, filing lawsuits, instituting bans, passing regulatory legislation, calling for administrative action, pushing institutions to divest from fossil-fuel holdings, engaging in electoral politics and referenda, and other mobilizing tactics and legal approaches.

The struggle to create community-based decentralized energy systems, however, is less well understood and more challenging: the barriers to this form of energy development are deeply embedded in the current centralized energy system. These barriers range from popular conceptions of energy, to regulatory agency biases in favor of the centralized energy model, to legal and market barriers to financing community-scale renewables, to political opposition from utilities and some labor unions, to the influence of large corporate energy developers, and last but not least, to a climate movement largely focused on carbon reduction and indifferent to climate and economic justice.

In considering policies or programs that advance energy democracy—community control and ownership of renewable energy resources—the key question is the potential of any energy policy or program to affect institutional changes that empower communities, in particular working people, low-income communities, and communities of color.

This is not an easy question to answer. Building a movement around programs that are not reformist and that cannot be easily co-opted is a historical challenge.

In addition, there are a number of thorny issues that complicate the formulation of an energy democracy platform:

- What, more precisely, is meant by community-based energy?
- How to finance community-based renewable resource development?
- How to address the concerns of labor regarding an energy transition?

What, More Precisely, is Community-Based Energy?

This paper has used the term community-based decentralized energy to emphasize that community-based energy is not referring simply to locating energy development in a local community, but also the control and ownership of such development by the community.¹¹ However, the notion of community-based renewable energy (sometimes referred to as community power) is not straight-forward, and entails an interplay of ownership, financing, and governance of renewable energy development projects.

The legal and ownership structures of renewable energy projects play an important role in a community's sense of engagement with the growth of energy development and the extent to which these projects will provide long-term community benefits. If a project is owned locally, and reinvests its earnings in furtherance of a community mission or distributes them among a diverse array of community stakeholders, the project can grow the wealth of the local community, reduce the cost of electricity, and incentivize replication of such projects. Such

¹¹ Studies show that the number of jobs created and the economic impact is substantially higher when renewable energy generation is locally owned and controlled. See John Farrell, *Advantage Local: Why Local Energy Ownership Matters*, September 2014. [<http://www.ilsr.org/report-advantage-local-clean-energy-ownership-matters/>]

projects also highlight the possibility for community-based renewables to engage the financial resources and support of community members.

Nevertheless, because of the many financial, legal, and policy barriers to community-based projects, only about 1% of renewable energy capacity in the U.S. is in locally-owned projects.¹²

For the moment, consider the many forms of community-based ownership that have been proposed:

- Individual residential or commercial building owners who benefit from net metering or feed-in tariff policies
- Subscribers to a local shared renewable generation facility under a virtual net metering program
- A cooperative or nonprofit mutual benefit corporation operating to provide energy and other benefits primarily to its members
- A public or nonprofit public benefit corporation, such as a school, church or charity
- An entity that is majority-owned and majority-controlled by low-income individuals
- A public agency that procures electricity on behalf of ratepayers, such as a municipal utility or a Community Choice energy program.

These forms of community-based ownership represent a wide range of scales and organizational arrangements. Hence policies and programs will differentially impact these various forms of community ownership, as would different financing and governance arrangements.

How to Finance Community-Based Renewable Resource Development?

One of the main barriers confronting community-based renewable resource development is the difficulty of obtaining capital to finance such development. Whether at the scale of a small enterprise or cooperative or that of a municipality, the traditional capital markets have shown little interest in financing renewable energy projects at the local level.

Identifying and marshaling the financial resources needed for investment in local renewable energy resource development is crucial to our vision of energy democracy. If we are not able to create a more inclusive or participatory way of directing investment capital, then we will fail to create true opportunities for community-based renewable energy development.

There are a number of traditional and alternative financing mechanisms for the development of community-based renewable energy resources. These use capital from various sources (from private capital, to public funding, to community-based sources), take different approaches, and operate at different scales. The challenge is to find those that enable communities to not only build renewable energy systems, but also foster local economic development, fulfill social inclusion goals, and democratize energy.

The following are the kinds of financing sources and mechanisms that need to be investigated and evaluated from a community-based energy development perspective:

- Federal government programs
- State government programs
- Municipal government programs

¹² John Farrell, loc cit, page 11

- Community Choice energy programs
- Community Development Finance Institutions (CDFIs)
- Municipal revenue bonds
- Green/Public banks
- Direct Public Offerings
- Crowdfunding
- Impact investing
- Our Power Reinvestment Fund (reinvest in Just Transition)
- Property-Assessed Clean Energy (PACE)
- On-bill repayment (OBR)
- Feed-in-tariffs (FIT)
- Cooperative financing

How to Address the Concerns of Labor Regarding an Energy Transition?

The concept of “just transition” promulgated by climate justice forces is that of a transition to a new economy rooted in the foundation of racial and social justice, invested in people and the planet, and one that is regenerative and life giving. In other words, the fight against the old fossil-fuel energy economy rooted in inequity must build a better and stronger life-sustaining economy that is inclusive and is led by communities of color and low-income communities that bear the brunt of climate change impacts.

However, one cannot talk about a new economy without talking about what that means for work and for labor. Many new economy institutions imply “non-traditional” forms of labor: for example cooperatives and small non-union businesses are often the centerpiece of new community-based economic enterprises. These imply a new relationship to work, distinct from the exploitive nature of traditional jobs.

These new economic institutions often imply “non-traditional” organizing, such as worker cooperatives, grassroots labor associations, and immigrant labor networks. These are more often reflective of frontline communities, and are essential to building community voice, awareness, and momentum for change. More often rooted in community than in building trades or unions, these alternative labor associations can mobilize community to create a groundswell for political change. They are most often found in just-transition economic activities such as solar installations or local food production, and can help refute the claim that new economy efforts kill jobs. Furthermore, these types of labor efforts also spur local economic development and can be strong advocates for just transition strategies.

At a broader scale within the framework of a new economy transformation, a narrower question arises: how the transition from a fossil-fuel economy to a renewable energy economy will accommodate the elimination of jobs tied to the fossil-fuel economy. In fact, the more popular notion of “just transition” is one in which the transition to 100% renewable energy is accomplished in a way that provides employment to those workers who are displaced by this energy transition. The standard framework for addressing this kind of “just transition” is an expanding renewable energy economy (the De-carbonized Growth strategy) in which trade unions in the energy sector negotiate a social contract with employers to absorb displaced workers.

Unfortunately, in the United States, the conditions for this approach are nowhere in sight: the expansion of the renewable energy sector has been limited and the trade unions are too weak to negotiate any kind of “just transition” contract. As a result, energy sector unions in the U.S. are either aligned with fossil-fuel interests in opposing an energy transition altogether or support expansion only of the centralized renewable energy model, with large power plants built with union labor.

A major concern of energy sector unions with community-based energy programs is that these programs could undermine union labor in this sector. If community-based programs purchase energy from non-union generator facilities, or install renewable energy generation using non-union labor, or achieve a reduction in electricity demand, then they could displace union workers currently employed in utility energy generation and procurement.

Opposition of energy sector unions to community-based energy development is amplified by the fact that other unions tend to defer to those with the most direct jobs at stake in the energy sector. Hence, most unions defer to the building trades on energy issues. Nevertheless, a changing climate is impacting all work, especially in the service sector, causing many unions to rethink their relationship to the issue.

Hence some unions are breaking with the monolithic stance of U.S. labor (the AFL-CIO in particular) in support of the fossil fuel economy. The National Nurses United and national transportation unions, for example, have opposed the Keystone XL project and taken up the climate issue. Nevertheless, the labor movement has a long way to go to support a democratized energy system and a lot of work will be required within the labor movement to gain support for community-based energy development.

Until the job concerns of the fossil fuel energy sector and the building trades are successfully addressed, unions will continue to be a significant political impediment to the development of community-based energy programs.

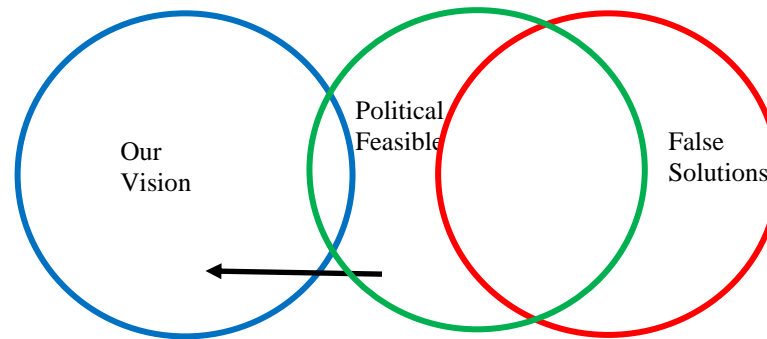
Criteria for Climate Justice Energy Policies and Programs

It will not be possible to achieve the just transition vision overnight. In fact, given the structurally embedded challenges changing the energy system, the lack of economic and political democracy, and continued racial and class exclusion in policies and programs, communities must be strategic in building power, building alliances, and creating demands for change. This strategy requires the development of short, medium, and long-term policy goals and programs that can lead to a just transition. Furthermore, this movement towards a just transition and energy democracy will face push back, retrenchment, and attempts to undermine the platform at every step.¹³

Often there is tension as communities balance their vision for the future with what is politically, economically, and socially feasible today, as shown in Figure 2. However, communities should be progressing toward the future by building a movement to push what is politically feasible within the sphere of their vision. That means organizing the base and creating strong and strategic partnerships—in short, build political power—in support of a climate justice energy platform.

¹³ Note, for example, that the utility industry, with the support of the Koch brothers and ALEC, have launched a national campaign to roll back net-metering laws in the U.S. See Gabe Elsner, *The Campaign Against Net Metering: ALEC and Utility Interests' Next Attack on Clean Energy Surfaces in Arizona*, November 18, 2013 [http://www.energyandpolicy.org/the_campaign_against_net_metering_alec_and_utility_interests_next_attack_on_clean_energy_surfaces_in_arizona]

Figure 2: Moving the Bounds of What is Politically Feasible



*Attributed Source: Movement Generation

To ensure movement in a consistent direction, organizations need criteria that define what a non-negotiable policy demand is, and what policies and programs they should organize around, to help build the capacity of communities to advance and implement the vision.

The following proposed criteria suggest how climate justice forces can evaluate policy and program proposals meant to address the economic and climate crisis, renewable energy development, and community empowerment. These criteria are divided into the following three categories:

- Governance
- Financing
- Labor and Economy

Governance

Achieving energy democracy is not just about the outcomes, it is also about process. Therefore, communities must assess whether programs or policies enhance participation, control, and ownership by communities. Three critical elements of equitable governance include defining *transparency*, *accountability*, and *participation*. Strengthening energy democracy will require that communities work at governance in ways that achieve the following:

- **Create new models.** New models of governance that will reflect the vision are needed, as the current models are ineffective to move towards the transition. Within this sphere, criteria should reflect the Jemez principles for local organizing. Processes and decisions must be democratic, participatory, and inclusive of all residents, and invest in community engagement in policy decisions, program development, and control and distribution of resources. In this context, one should also advocate that basic elements of democratic participation are upheld such as ensuring that all data ranging from financing to project details is open to the public in useable formats or that processes include multiple opportunities, multi-lingual formats, and venues for citizen engagement, feedback, monitoring and review.

- **Challenge current programs and policies.** Moving toward just communities requires advocating for changes that challenge current structures. This means struggling for reforms that meet immediate needs in ways that make structural changes which strengthen community power. This is what distinguishes a reformist demand that rationalizes the system from a reformist demand that is difficult for the system to co-opt.
- **Hold leaders accountable.** As communities push for change, elected leaders must be held accountable for their decisions and actions (or inaction). In particular, they must be held accountable to the interests of the most impacted communities: workers, low-income communities, and communities of color. We should evaluate outcomes to ensure that the most impacted communities benefit from community-based energy projects.

Financing

“The revolution will not be funded” captures how a real movement to transition to a regenerative economy cannot rely on the financial support of an extractive economy to move forward. Obtaining the financing needed for that transition is challenging. How projects are financed can be a source of tension and concern. For example, many debate whether community groups should accept funding from Exxon-Mobile to support a community solar project. It is a difficult challenge, particularly for resource-strapped groups. In assessing these opportunities, a community should evaluate if they achieve the following:

- **Cultivate community-wealth building.** Financing sources should include models such as crowdfunding or the Our Power Communities Fund, which develop self-reliance so communities are ultimately not dependent on grants or outside investors.
- **Shift public resources.** Taxes, bonds, public grants, or pension funds should be utilized and directed toward just transition communities and away from dirty energy developments or commercially-owned developments that increase private wealth.

Labor and the Economy

Many energy policies and programs that involve local, state, and even federal efforts focus on job creation, economic development, and social impact. It is easy for policymakers to prioritize false solutions in the name of jobs, growing the economy, and racial inclusion. For example, the American Legislative Exchange Council (ALEC), a right-wing legislative organizing center, recently pushed for rolling back net-metering laws and investing in utility-owned energy “because net metering kills jobs, shifts the burden onto people of color, and limits economic growth.” We should evaluate policies and programs to ensure that they achieve the following:

- Create family-sustaining, regenerative, healthy, safe, and local jobs
- Place control of economic development in public hands, not in absentee, private entities not invested in the community
- Encourage publicly controlled utilities and local privately owned businesses that embrace sustainability, renewables, and most importantly a regenerative economy
- Measure success by utilizing cumulative impact assessments to assess air, water, environmental quality, and economic impacts and improvements

Model Policies and Programs

Shifting the circle of feasibility in Figure 2 from false solutions to a climate justice vision requires identifying leverage points at the local, state, and national levels. In doing so, grassroots leaders can find ways to create fissures in the structural and institutional barriers of our economic and political system.

A climate justice energy platform can be a foundation for communities to use to identify ways to pressure and influence decisions and investments.

The platform should speak to local and national interests and demands. Local ideas and innovations must inform a national vision of just transition and a national platform is needed as a counterpoint to the false solutions promulgated by many parties. In designing a climate justice energy platform, one can look to current policy and program ideas that already exist.

There are a number of policy ideas and programs that can inform this conversation. Programs like Community Choice energy, net metering, shared renewables, and feed-in tariffs can all contribute to democratizing energy, if implemented well. Policies such as SB 535 (in California) can shift resources to support the capacity of just transition communities to achieve energy democracy. To focus this paper, the following snapshots elevate potential policies and programs that can promote the development of energy democracy.

Just Transition Zones

The integration of the decentralized renewable energy model with the Economic and Climate Justice strategy takes place in the context of programs to bring energy and economic development to historically disadvantaged or overburdened communities.

These are low-income communities and communities of color that have historically borne the brunt of industrial pollution, power plant pollution, transportation pollution, and all forms of toxic contamination. These are communities marked by high unemployment and poverty, and which also suffer disproportionate levels of cancer, asthma, and other diseases.

These communities can be identified by tools such as the CalEnviroScreen which measure cumulative impacts of a number of socio-economic and health indicators. Such screening identifies geographic zones that are ripe for a “just transition” from being economically depressed toxic hotspots to models of new, sustainable forms of community economic development, revitalization, and healthy community.

These zones go by various names: the [California Environmental Justice Alliance](#)’s green development zones, the [Center for Social Inclusion](#)’s energy investment districts, the [Center for Earth Energy and Democracy](#)’s Sustainable Energy Utilities, and the [Climate Justice Alliance](#)’s Our Power communities. They are sites for developing community-based decentralized renewable energy and other new economic institutions that can transform economic life for those communities. ***Just transition zones are the crucible in which innovative policies and programs are developed that can become a model for vibrant communities across the country.***

The transformation of just transition zones is based on bringing the necessary community organizing resources, programmatic alternatives, technical know-how, and development financing to bear. They are the prime sites for waging the struggle for energy democracy, food justice, economic democracy, and community empowerment.

Snapshots of Climate Justice Energy Policy and Program Advocacy

The following are examples in the U.S. of climate justice energy policy and program advocacy:

- **Advancing Equity and Opportunity**

Advancing Equity and Opportunity is a movement across the deep South (from North Carolina to Texas, Florida to Kentucky) in an effort to bring about energy equity, justice, and democracy. The movement advocates for electric coop reforms, Public Service Commission reforms, and economic-wide investment in community owned and led energy efficiency and renewable energy programs of the kind that create environmental benefits and build local economies.

- **Asian Pacific Environmental Network (APEN--Richmond, California)**

The City of Richmond should develop local, community-owned renewable energy projects to be governed by community members, with excess energy purchased by Marin Clean Energy (a Community Choice energy program) as part of its renewable energy portfolio. Marin Clean Energy local renewable projects should be under the city of Richmond's local hire ordinances. The City of Richmond should update their local hire ordinance (Chapter 2.56) to ensure that these types of projects follow the city's local hiring provisions. Partnerships should also be created with Solar Richmond and Richmond Build.

- **Black Mesa Water Coalition (BMWC)**

Hold Peabody Coal accountable for damage to Black Mesa's water, environment and community health, permanently close the coal mines on Black Mesa and replace coal-fired power plants fed by Black Mesa mines with renewable energy. Establish a solar manufacturing facility to replace job losses and create new ones, while developing a series of 20 MW to 200 MW solar PV installations to be owned and controlled by Black Mesa community residents and members on an abandoned mine.

- **Center for Social Inclusion (CSI)**

The CSI, based in New York, includes energy democracy as one of its main program areas: "Now is the time for Energy Democracy. Its goal is to create community-owned or controlled renewable energy and to invest that capacity with democratic principles that foster inter-dependence, conservation, wealth-building, political autonomy, and economic opportunity."¹⁴ CSI is advocating for instruments like Energy Investment Districts, which create legislated institutions for funding and supporting local energy resource development in disadvantaged communities. The CSI has supported and documented the development of locally-based community energy development initiatives in Boston, Brooklyn, and other cities.

- **Community Power Network (CPN)**

CPN is a network of about 130 grass roots, local, state, and national organizations working to build, and promote locally based renewable energy projects and policies. Although the network is a collection of unique and independent organizations focused on implementing real projects on the ground, it is connected by a shared vision. That vision is of a future where every community participates in the financial benefits of our energy grid's ongoing diversification from big central plants and passive consumers to a wider mix of distributed production and renewable energy. CPN is currently supporting state-wide projects named DC Solar United Neighborhoods (DC

¹⁴ <http://www.centerforsocialinclusion.org/ideas/energy-democracy/>

SUN), Maryland Sun (MD-SUN), West Virginia Sun (WV-SUN) and Virginia Sun (VA-SUN), as well as policies and project models for bringing solar to low-income households.

- **Communities for a Better Environment (CBE--Northern and Southern California)**

Require a serious shift to available clean electricity, including energy efficiency, demand response, local rooftop solar, energy storage, and transmission improvements, that are generally cheaper – and hold the California Public Utilities Commission, the Los Angeles Department of Water and Power, utilities and others accountable in planning. CBE is actively engaged in fighting the expansion of fossil fuel development by opposing refinery upgrades, crude by rail, and lax permitting by regional air quality districts.

- **Co-op Power**

Co-op Power is a decentralized network of six community energy cooperatives in Massachusetts, Rhode Island, and southern Vermont. It is a multi-race, multi-class cooperative building local ownership of clean energy resources to ensure the environmental, social, and economic benefits are available to everyone in its communities. It has initiatives in energy efficiency, residential solar, community solar, and biodiesel that include helping to build 12 businesses (worth more than \$15 million now), more than 200 jobs, and quality products and services for its 475 members and 7,000 supporters. Co-op Power's community solar project is partnering with socially responsible tax equity investors to build ten, 1/2 megawatt solar projects that will provide clean electricity to people in all of the communities it serves, giving them 30-50% off their electricity over the next 25 years.

- **Emerald Cities Collaborative (ECC)**

ECC is a national non-profit network of organizations working together to advance a sustainable environment while creating greater economic opportunities for all. It is transforming the energy efficiency sector in a high road way, by retrofitting building stock, creating high wage jobs, and revitalizing the local economies of metropolitan regions. Its goals are to green our cities through deep retrofits of America's metropolitan regions, build our communities through the growth of a well-paid, well-trained green workforce and sustained local economies, and strengthen our democracy through engaging historically excluded and hard-to-reach populations in the new green economy, including low-income workers, immigrants, and communities of color.

- **Gulf South Rising (GSR)**

GSR is a regional movement of coordinated actions and events to highlight the impact of the global climate crisis on the Gulf South region (Texas, Louisiana, Mississippi, Alabama, and Florida). Through collaborative events and actions around strategic dates in 2015, GSR demands a just transition away from extractive industries, discriminatory policies, and unjust practices that hinder equitable recovery from disaster and impedes the development of sustainable communities. The GSR has identified community owned and controlled renewable energy as one of the key strategies for advancing this equitable transition.

- **How\$martKY**

How\$martKY, an initiative of the Mountain Association for Community Economic Development, works with rural electric coops in Appalachia to offer their members access to residential energy efficiency upgrades that pay for themselves over time, financed directly on their electric bill. How\$martKY strives to make residential energy efficiency available to everyone—with no credit check—by implementing improvements that save more than the monthly payment, thus creating a net cash flow for each client.

- **Indigenous Environmental Network (IEN)**

Fully authorize the implementation of a tribal solar project to cover the 355 miles of an open federal Central Arizona Project canal with solar photovoltaic cap to reduce 50,000 acre feet of evaporation, generate over 1500 megawatts of clean, efficient solar power in the desert Southwest and provide a just transition for tribal economies displaced by the closing of dirty coal plants.

- **Institute for Policy Studies (IPS)**

Shift resources created in an extractive economy to support the transition to regenerative communities, such as passage of a Robin Hood/ Financial Transaction Tax (\$350 billion), the shift of defense spending (\$600-800 billion), shift fossil fuel subsidies (\$66 billion), close corporate tax loops (top 20 oil companies pay 1.7% tax rate, not 35%), and issue climate bonds/green bonds to fund investments.

- **Kentuckians for the Commonwealth (KFTC)**

Reforming Rural Electric Cooperatives to make them more democratic and accountable are a key part of demanding transformation of the energy system. The platform developed by KFTC members calls for coops to provide “affordable energy; clean, renewable energy choices; good local jobs; sound financial decisions; respect for landowners; open and fair elections; open meetings; and open records.”

- **Local Clean Energy Alliance (LCEA)**

The LCEA advocates that all communities, especially those most vulnerable to the impacts of climate change, benefit from a clean energy economy. The program of the LCEA includes both policy advocacy (energy reduction, local renewable generation, and energy democracy) as well as efforts to build a stronger clean energy movement in the Bay Area, one based on equity and economic justice, through community participation in energy advocacy. The LCEA supports policies that promote community-based energy and advocates for Community Choice energy in the Bay Area and throughout the state. It hosts the annual Clean Power, Healthy Communities conference, distributes its *Community Power* report¹⁵ and other publications, and builds alliances with other community organizations around local, regional, and state energy issues.

- **National People’s Action: *People, Planet First***

NPA’s new People and Planet First campaign puts energy democracy front and center of their campaign to transform our economy to one that is equitable, just, and inclusive. NPA is leveraging the Clean Power Plans of a number of states to create green, good-paying jobs while safeguarding our planet, fighting for strong clean power plans, and organizing a "Just Transition" from the extractive, exploitive economy to a new economy that puts people and planet first. NPA is working in select states in the East Coast, Midwest and West Coast.

¹⁵ Al Weinrub, *Community Power: Decentralized Renewable Energy in California*
[\[http://communitypowerbook.com/\]](http://communitypowerbook.com/)

- **New York Energy Democracy Alliance (NYEDA)**

The NYEDA is a coalition of grassroots energy, environmental, social justice, and environmental justice organizations throughout the state of New York that is seeking to advance a just and participatory transition to a resilient, localized, and democratically controlled clean energy economy in New York State. NYEDA envisions a renewable energy system that is led by and prioritizes solutions for low- and moderate-income communities and communities of color who are most impacted by our current energy and economic system. NYEDA seeks to transform our communities' relationship to power through advocacy, organizing, job creation, coalition-building, policy research, and public education for an equitable, sustainable energy future. NYEDA is currently taking on energy reform through advocacy and organizing efforts around the state's "Reforming the Energy Vision" (REV) process and Clean Energy Fund proceedings.

- **Sustainable Economies Law Center (SELC)**

SELC cultivates a new legal landscape that supports community resilience and grassroots economic empowerment. SELC provides essential legal tools - education, research, advice, and advocacy - so communities everywhere can develop their own sustainable sources of food, housing, energy, jobs, and other vital aspects of a thriving community. For example, SELC's Community Renewable Energy Program educates the public about the benefits of community-owned renewable energy projects, engages with diverse communities to enable participation and ownership in local, community-shared renewable energy generation, and advocates for laws and regulations that will facilitate collective ownership of community renewable energy projects.

- **Trade Unions for Energy Democracy (TUED)**

TUED is a global, multi-sector initiative to advance democratic direction and control of energy in a way that promotes solutions to the climate crisis, energy poverty, the degradation of both land and people, and the repression of workers' rights and protections. Unions participating in TUED share the view that greater democratic direction, public intervention, community control, and social ownership over energy options and resources are urgently needed. TUED is building a global trade union community around the creation of an agenda that addresses the energy emergency, protects people and nature, and builds trade union and worker power.

A Proposed Climate Justice Energy Platform

Table 2 on the next page captures the components of a proposed climate justice energy platform.

Table 2: Proposed Climate Justice Energy Platform

	Plank	Examples
O P P O S E	Oppose continued fossil-fuel extraction and use	<i>Keep fossil fuels in the ground: Make fracking moratoriums permanent, stop investments into “clean coal” technologies, oppose Keystone XL pipeline, stop deep sea and Arctic drilling,</i>
	Oppose all neo-liberal, market-based carbon reduction schemes	<i>No REDD, No Cap and Trade; mandate shift to renewables; No centralized renewable energy development</i>
	Oppose all U.S. military action, especially related to securing fossil-fuel resources	<i>No wars, no warming. Call for an end to occupation and wars in Middle East. Oppose right-wing responses to terrorism.</i>
E N E R G Y S Y S T E M	Support 100% transition to community-based decentralized renewable energy resources	<i>Policies and strategies that promote community-based renewable energy generation and demand reduction (see below)</i>
	Democratize energy: Increase community ownership and control	<i>Community Choice energy programs that provide for community decision-making, cooperative energy development, community power projects</i>
	Support incentive programs for decentralized generation	<i>Net metering, shared renewables (virtual net metering), feed-in tariff programs</i>
	Support demand reduction	<i>Energy efficiency programs like How Smart Kentucky, energy conservation, demand response</i>
	Support balancing of supply and demand	<i>Smart grid development where residents can control how they use energy, two-way grid upgrade</i>
	Prioritize energy development in Just Transition Zones	<i>Green Zones, Energy Investment Districts, direct federal and local dollars to support community resilience programs</i>
F I N A N C E	Develop non-extractive finance	<i>Our Power Community Reinvestment Fund</i>
	Shift public resources and subsidies	<i>End subsidies for dirty energy, replace Federal tax incentive programs with cash credits, Robin Hood Tax,</i>
	Develop vehicles for public financing	<i>Municipal bonds, climate/green energy bonds, divesting public pension funds, loosen Securities and Exchange Commission rules for raising public capital</i>
L A B O R	Promote family-sustaining, regenerative, healthy, safe, and local clean energy jobs	<i>Pathway out of poverty job programs that build skills and wealth</i>
	Encourage cooperative, worker-ownership	<i>Provide legal and technical assistance and capacity support for community cooperatives</i>
G O V E R N A N C E	Demand transparency and accessibility	<i>Demands for fair and accessible data</i>
	Demand accountability of public officials	<i>Community advisory councils with auditing authority</i>
	Promote community participation and engagement	<i>Participatory budgeting and planning processes</i>