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A Clean Energy Fund Would Boost Equity in Atlanta

By Matt Cox, CEO and Founder Greenlink Analytic

There's a little-known crisis happening in Atlanta right now: thousands of people are struggling to remain in their homes due to the unforgiving cost of their electricity and gas bills. This doesn't play out well for the residents of Atlanta, the resilience and vibrancy of the city, or the city's ability to reach its clean energy goals. And the bottom line is that the failure to address the root cause of high energy bills is stressing families and disrupting communities.



"When your rent gets higher by \$300 and your utilities go up an extra \$300, you will lose your home," said Wykeisha Howe, who co-chaired Atlanta's Clean Energy Advisory Board with me through 2022, in a recent interview. And Howe would know, because it happened to her family when the pandemic hit and inflation soared.

It would be easy to blame the problem on a lack of climate action and the need to regulate monopoly utilities like Georgia Power (which do need more vigorous efforts), but the issue is more complex and disconcerting. This is an issue of whose energy is affordable and whose isn't. It's about who is able to access clean energy and enjoy its financial, health, and environmental benefits.

Peel back the rhetoric and clear up the confusion, and you'll find a situation where climate policy, racial justice, sustainability, healthcare, economic development, and affordable housing meet. The direction of the status quo is increasingly burdening the lives of Atlantans - but we don't have to accept that.

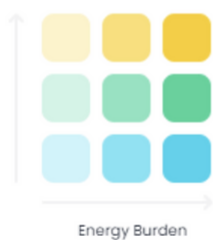
Right now, an opportunity sits in the hands of City of Atlanta decision makers that could improve the lives of people like Wykeisha Howe, and thousands of other residents who bear the brunt of outsized utility bills. It's called the Clean Energy Fund. And it's a team effort trying to take this from vision to reality, involving Partnership for Southern Equity, City Council Member Liliana Bakhtiari, and Clean Energy Advisor Board members to name a few.

As the CEO of Greenlink Analytics, I want to see the Fund established since it would provide essential, sustainable, and impactful funding for helping Atlanta meet its 100% Clean Energy goal by 2035, especially by providing the necessary support for easing energy burdens and improving housing conditions excessively borne by the city's Black communities. And with the Fund being locally controlled, it can be responsive to the changing needs of our communities.

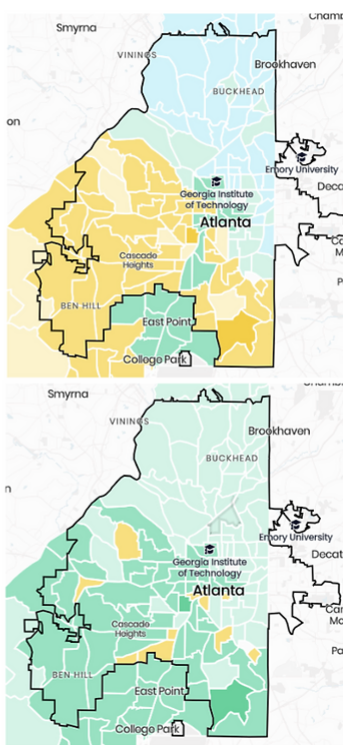
I believe that passing this equity-improving legislation is an easy way to direct funding towards improving the health, housing, and energy burdens disproportionately affecting Black communities in Atlanta. This approach requires no new taxes and could sustain and grow the effectiveness of existing energy efficiency and weatherization programs.

Atlanta is one of the top five most energy burdened cities in the country, and it has been for as long as those statistics have been tracked. Over 40 predominantly Black neighborhoods experience the greatest stress, while no predominantly White neighborhoods are even in the top third. Highly-burdened households suffer higher rates of eviction, foreclosure, displacement, asthma, stroke, diabetes, and pulmonary disease.

Comparison of energy burden and Majority Black or African American



Comparison of energy burden and asthma rates



Overlapping Energy Burden with the Proportion of Black Households (top) and Asthma Rates (bottom). Images from the Greenlink Equity Map (www.equitymap.org)

These same households are also less likely to benefit from utility programs and resources. While energy burden is a measure of affordability, it's also a canary in the coal mine for the multifold unjust hardships caused by systemic racism. Cutting energy burden entails providing dollars, relief, and attention directly towards the people and communities who suffer the most. It's also a tremendous chance to build health and wealth.

"There are a lot of people who live in this city whose homes are not up to par and their bills are so high because they don't have the proper insulation, windows, or even hot water," said Howe over the phone. "Funds like these will be instrumental and would change some lives, and then these families would see just a little relief."

Here's how the Clean Energy Fund would work. Utilities (read: power, gas, and telecommunications companies) currently pay a 4% fee in exchange for using the city's public rights of way. This is called the "municipal franchise fee." Since Atlanta energy utilities make about \$1 billion annually from Atlanta residents and businesses, that's approximately \$40 million that goes back into City coffers, which could be channeled towards clean energy programs.

The Fund would use a percentage of this money to finance weatherization, energy efficiency, health, and safety in the most energy burdened homes. It would be a sustainable and ongoing source of revenue that the City has control over, providing much-needed flexibility in program design and implementation.

Greenlink crunched some preliminary numbers on the impact of the Fund using our advanced energy systems software ATHENIA. With about 10% of the fee revenues, we estimate that the Fund could help 4,000 families, support 1,100 jobs, provide about \$65 million in new income and \$26 million in health benefits through 2035. It would also avoid about 470,000 tons of CO₂. A higher percentage of the fee would increase these benefits. This would be much-needed action for Atlanta's most energy-burdened communities and work towards shared goals of energy and housing equity.

It's also just a start. Atlanta needs about \$350 to \$400 million to achieve energy affordability, and more funding opportunities are being announced every day as investments from the Inflation Reduction Act and other Federal programs roll out. Efforts like the Clean Energy Fund will assist with stemming the increasing cost of electricity and gas bills and help address intersectional issues of housing insecurity and healthcare, aiding in repairing and replacing social structures that have placed so many burdens on Atlanta's Black population. Atlanta's crisis of Black displacement.