

CPRC Briefing Note

An Unfair Choice

Key insights from CPRC'S Energy and Justice Mini Sprint workshop
featuring Shalanda Baker



Introduction

As Australia transitions to more sustainable energy sources, it's clear that the benefits and burdens of this shift are not being shared equally. While some communities enjoy greater access to clean, affordable energy, others are forced to choose between heating or cooling their homes and putting food on the table. There are communities also at risk of being left behind in the energy transition, bearing disproportionate costs.

On the 18 February 2025, Consumer Policy Research Centre (CPRC) held a workshop with leaders from the energy, justice, and consumer advocacy sectors.

The workshop was preceded by international guest speaker, Shalanda Baker, who brought unique insights as the Vice Provost for Sustainability and Climate Action at the University of Michigan and former Director of the Office of Energy Justice and Equity at the U.S. Department of Energy. Her work focuses on ensuring diverse and low-income communities benefit from clean energy transitions while being protected from disproportionate climate impacts.

This briefing note highlights key takeaways on the issues presented and discussed at this workshop, which focused on embedding equity in energy policy and the exploration of practical solutions for an equitable energy transition.

Energy justice cannot wait

Energy is an essential service and a person cannot stop using energy even if they cannot afford to pay for it. We are in a sprint – energy justice cannot wait.

Energy justice is the goal of achieving equity in both the social and economic participation in the energy system, while also remediating social, economic and health burdens on those historically harmed by the energy system (frontline communities). Energy equity is not an isolated issue.¹

Energy justice explicitly centers the concerns of frontline communities to make energy more accessible, affordable, clean and democratically managed for all communities.

In Australia, unfair energy markets have considerable impacts on First Nations people, people with disabilities and other cohorts who may experience hardship. Many of these groups experience a myriad of interrelated vulnerabilities yet are often excluded from conversations around energy justice.

Energy burden leads to energy insecurity and minorities are disproportionately impacted

Research conducted by Shalanda Baker highlights that the lower a person's income is, the higher their energy burden. Minority groups are also disproportionately impacted.

¹ Shalanda Baker (2021), *Revolutionary Power An Activist's Guide to the Energy Transition*, Island Press.

The residential energy consumption survey from 2020 showed that one in three Americans experience energy insecurity, a figure that rises to 52% among Black Americans and 61% for Native Americans.

Black and Latinx communities in the US are exposed to more pollution than they produce and are disproportionately affected compared to White communities. These are the same communities disproportionately impacted by energy insecurity.

Communities in the US near power plants (who also happen to be communities of colour), are also affected as people experience higher rates of illnesses such as asthma, heart disease or cancer. Texas is home to one of the highest oil refineries in the world. Known as 'cancer alley', it's also home to low-income, Latinx and Black American populations.

Baker noted that when George Floyd said '*I can't breathe*' it became clear that there was a nexus between this and the design of energy systems. During the pandemic, communities in the US exposed to a small amount of air pollution were more likely to die from COVID-19.

Baker has been calling for energy systems to be equally resilient. Areas with a high share of minority population in the US have been shown to be more than four times as likely to suffer an energy blackout. Income, as well as the presence of critical facilities have been shown not to matter. The only differentiating factor is the communities that are living in those areas.

Genuine consultation means listening and learning from communities directly and meaningfully

When Baker left the practice of law to head to Mexico to work on justice and equity issues in 2010, her work looked at how Mexico would share the benefits of its energy transition with its communities. What Baker realised was that no one in the room was from any of those impacted communities. Despite decisions being made about them, they did not have a seat at the table.

Policymakers and decision-makers must interrogate how capacity can be built in local communities.

The path forward – leading from the ground up

Baker's work with the Biden administration in the US illustrated how creating a more just and equal energy system is achievable. Baker's work involved leading the Justice40 Initiative, a directive from the US government requiring 40% of the overall benefits of certain Federal investments including in clean energy and energy efficiency, must extend to disadvantaged communities. Democratising energy involves leading from the ground up: through grassroots campaigns led by communities and households.

The aims of energy justice must be clearly articulated

Workshop participants discussed how a substantial proportion of the benefits from spending on clean energy transition should go back to frontline communities. Questions any decision-maker should ask include:

- How do we measure the benefits?
- How do we define investments?
- Who are the disadvantaged communities – how are they identified?
- What are the benefit categories?
 - environmental hazards
 - energy burden
 - access to clean technology
 - access to capital
 - job creation
 - resilience, or
 - energy democracy.

Governments and energy providers must do more to support the energy transition

Inequity in communities is not inevitable. Government has the choice and ability to invest in creating and maintaining a just and equitable energy system.

The impact of energy inequality has a chain effect. One example shared was the need to break the nexus between energy hardship and health hardship in Australia. Every winter there are cases of people presenting with hypothermia due to lack of heating available in their home. The health sector must also be brought into the conversation.

Participants discussed the need to shift the onus of managing hardship and the broader energy transition towards service providers instead of placing the onus on individuals to navigate this alone. One such example that was discussed is the need to place a positive onus on energy providers applying concessions to energy holders. It is a simple change that can have a significant impact on those experiencing hardship and vulnerability.

Governments need to address structural design features that lead to inequity and serve the communities they represent, building justice into every program they establish or grow. Governments at all levels, regulators, energy, consumer, health and other community advocates need to continue working together and find solutions that bring change within the energy transition for all, not just a select few.

Where to from here?

This event was just the beginning. More research and engagement into energy justice will help to further understand the impact and tailored solutions for Australia. CPRC welcomes the opportunity to work on this issue further with government, regulators, policy makers, academia and the community sector.

For more information on Shalanda Baker, visit:
<https://seas.umich.edu/research/faculty/shalanda-h-baker>

CPRC

The Consumer Policy Research Centre (CPRC) is an independent, not-for-profit, consumer think-tank. CPRC aims to create fairer, safer and inclusive markets by undertaking research and working with leading regulators, policymakers, businesses, academics and community advocates.

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Statement of Recognition

CPRC acknowledges the Traditional Custodians of the lands and waters throughout Australia. We pay our respect to Elders, past, present and emerging, acknowledging their continuing relationship to land and the ongoing living cultures of Aboriginal and Torres Strait Islander Peoples across Australia.

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