



Using ethnography and market research to better define and address energy equity

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To meaningfully address [energy equity](#), utilities must have clear definitions, goals, and metrics for equity based on their unique service territories and the communities they serve. In a recent webinar, [Defining equity to inform your utility's energy equity strategy](#), we discussed the ways utilities can define energy equity goals and metrics. In this blog post, we'll share some highlights of our discussion about how utilities can use data science, ethnography, and market research to better understand customers and their needs. Utility members of any E Source service can [watch the recording](#) to discover even more.

Understand your customers' wants and needs

Fill out this short form to start a conversation about how ethnography and market research can help you reach your customers more effectively.

The challenge of defining equity

The first stage in meaningfully and intentionally addressing energy equity at your organization is to define the goal (or desired outcome) of the work. You can't work toward a goal if you don't know what the goal is yet. That definition will be based on your service territory, the communities you serve, and the priorities of your

customers and stakeholders. It's best to define what energy equity means for businesses and customers before creating and measuring goals for energy equity.

According to the experts in our webinar, energy equity metrics are most effective when they're informed by the needs of utility customers. We shared some of leading utilities' metrics, including:

- Energy burden
- Race and ethnicity
- Employment
- Housing
- Access to transportation
- Health, pollution, and climate impacts
- Language barriers

These metrics (and more) help to identify underserved customers and communities and measure how effective the program is at delivering equitable benefits and costs. For example, the [New York Climate Justice Working Group](#) has been working on the definition for disadvantaged communities in the state and settled on 45 indicators based on income, race, employment, homeownership, pollutants and health, and potential climate risks.

There are so many pieces of data that are relevant here. We've seen utilities use a variety of equity definitions, typically those that define the customers or communities the utilities are aiming to better serve. These are usually groups that have been historically left out and participated in programs in lower numbers. Utilities sometimes lump these metrics together to define the environmental justice communities, underserved communities, or disadvantaged communities they're focusing on with initiatives.

Really get to know your customers

To give utility initiatives strong direction and the potential to succeed, there are many ways a utility can take a step back and spend more time truly understanding their customers. The first is to ask yourself, others at the utility, and the communities you serve the following questions:

- What problem are we trying to solve for the communities we serve?
- What problem are we trying to solve for customers who struggle to pay their utility bills or face a high energy burden?
- What's the opportunity cost of not giving underserved communities equal access to new, clean energy technologies?

Identifying these problems will help you arrive at solutions. Defining energy equity in the unique way that it can be applied in your service territories requires you to investigate the energy-related challenges your customers are facing and design programs to address them. This can require analyzing customer energy burden, program participation, and billing and payment data. It can also mean hearing from customers

directly and learning about the nuances of their relationships to your utility.

In other words, you need a quantitative and qualitative approach to better understand customers and design programs to serve them more equitably. Here are a few suggestions to accomplish this.

Connect with local stakeholders

Local stakeholders such as community-based organizations (CBOs) can help utilities understand what data is most important to collect for different customer groups. We dive deeper into the ways collaboration is key in our blog post [How utilities can collaborate with local organizations to achieve equitable programs](#).

Let the data tell the story

Utilities should turn to data to inform their program design, establish baselines, and encourage ongoing participation. They can also use data to determine program eligibility and identify opportunities for delivering programs through CBOs.

Ethnographic research is critical to equity because it brings in the human element to contextualize what we see in the data. It helps us avoid making assumptions or treating all customers the same.

Perform ethnographic research

Data helps us start to define our customers; ethnography helps us to develop empathy for our customers and understand that it's not just about demographics—it's how a customer's lifestyle has shaped who they are and their unique circumstances. Ethnographic research is critical to equity because it brings in the human element to contextualize what we see in the data. It helps us avoid making assumptions or treating all customers the same.

Ethnographic research is an iterative process and can't be done just once. Utilities should continuously listen to customers and conduct research to make sure their offerings are effective. If the goal is to define equity so you can create equitable programs for customers, you must understand where they're coming from and their points of view. It's impossible to achieve this without listening to them directly. For more information on the importance of ethnography, read our article [Understanding low- and moderate-income customers' needs through data science and ethnography](#).

Set realistic energy equity goals

Utilities should choose energy equity goals that they can measure and achieve. Some common utility goals use metrics such as:

- The percentage of participants with specific demographic and socioeconomic characteristics
- Where program money is spent in a service territory (such as how much money goes to targeted geographic areas like census tracts with certain household income characteristics)
- Outcomes from energy-saving programs, which impact different communities depending on their energy burdens, housing conditions, locational power quality, and utility infrastructure maintenance

When setting goals, use [market research](#) and community engagement to learn more about customers' perceptions of energy and their needs.

To learn even more, read our white paper [The energy equity framework that benefits customers, utilities, and underserved communities](#).

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