



ASSEMBLYMEMBER TIM GRAYSON

AB 1198

EQUITY IN ENERGY TASK FORCE

Summary:

AB 1198 establishes the Equity in Energy Task Force to develop a comprehensive strategy aimed at addressing equity in the energy industry and increasing the participation rate of women, minorities, disabled individuals, and veteran-owned businesses, as well as individuals from disadvantaged communities.

Background:

California has been and continues to be a global leader on climate change policy, with goals of achieving carbon neutrality by 2045. The state has made significant and sustained investments towards programs whose purpose is to reduce California's greenhouse gas emissions. In addition, the state and federal governments offer a variety of funding opportunities to advance the state's transition and investment to clean energy and transportation.

Furthermore, small business enterprises play a critical role in fighting climate change. California small businesses account for 99.8% of businesses, and of the state's 4.1 million small businesses, 1.2 million are minority owned.¹ An individual small business can have a relatively small carbon footprint, but the overall impact of those emissions can be huge.

Problem:

California's plan to achieve 100 percent clean energy and net-zero emissions is unlikely to be met without measures that incentivize small businesses to make clean energy investments. Despite the significant role that minority small businesses have in the clean energy transition, there remains a huge gap in minority small business enterprise participation in the market transition to a low carbon future.² Small businesses may lack the same resources and support that larger corporations have when it comes to reducing emissions and implementing new technologies and operations.

Solution:

It is essential that minority enterprises actively participate in delivering solutions that help California achieve its aggressive climate goals. However, the state needs to support disadvantaged businesses by providing effective pathways and resources to create community wealth-building opportunities.

AB 1198 establishes the Equity in Energy Task Force to take a comprehensive look at all the energy related mandates and policies within California and identify gaps that may exist for minority owned businesses and their employees. The task force's duties would include:

- Identifying all energy resources, including but not limited to, grants, tax credits, loans, technical assistance, and workforce training funding
- Identifying whether existing programs include an equity component and participation levels of women, minorities, disabled individuals, veteran-owned businesses, and individuals from disadvantaged communities
- Providing recommendations on addressing barriers to access to the energy industry and how to increase participation levels among underrepresented communities.

By establishing this Task Force, AB 1198 will help California achieve its climate goals and support our essential small businesses.

Support:

CA Asian Pacific Chamber of Commerce (Sponsor)
CA African American Chamber of Commerce (Sponsor)
CA Hispanic Chambers of Commerce (Sponsor)

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¹ <https://cdn.advocacy.sba.gov/wp-content/uploads/2020/06/04142955/2020-Small-Business-Economic-Profile-CA.pdf>

² <https://www.southeastson.org/wp-content/uploads/2019/11/Just-Energy-Policies.pdf>