

EQUITY AND ENVIRONMENTAL JUSTICE IN THE ENERGY TRANSITION

29 SEPTEMBER 2022

GREATER HOUSTON PARTNERSHIP







Houston has the responsibility—and an opportunity—to lead the world towards a lower carbon future.

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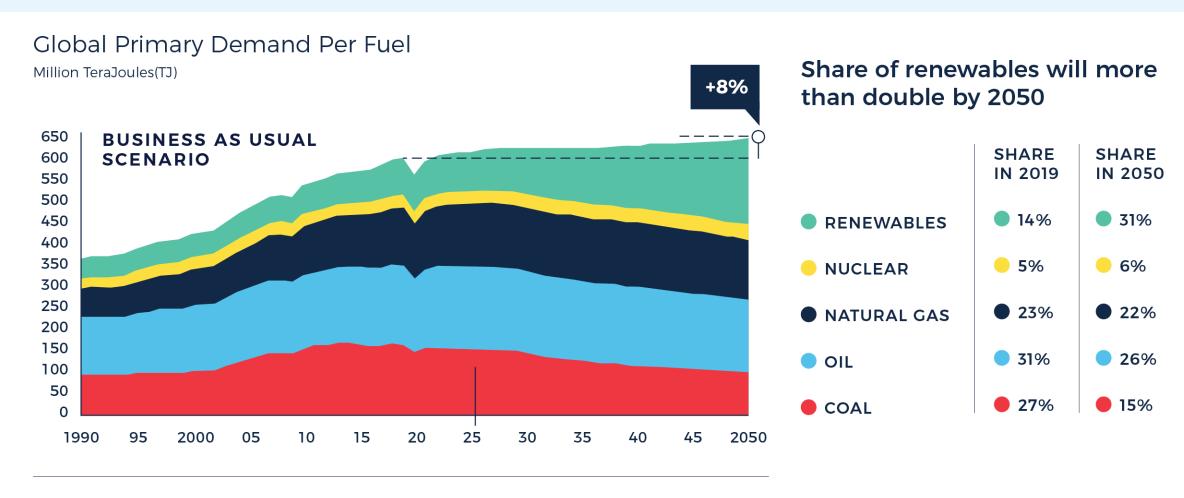
BOBBY TUDOR

2020 BOARD CHAIR, GREATER HOUSTON PARTNERSHIP

JANUARY 2020



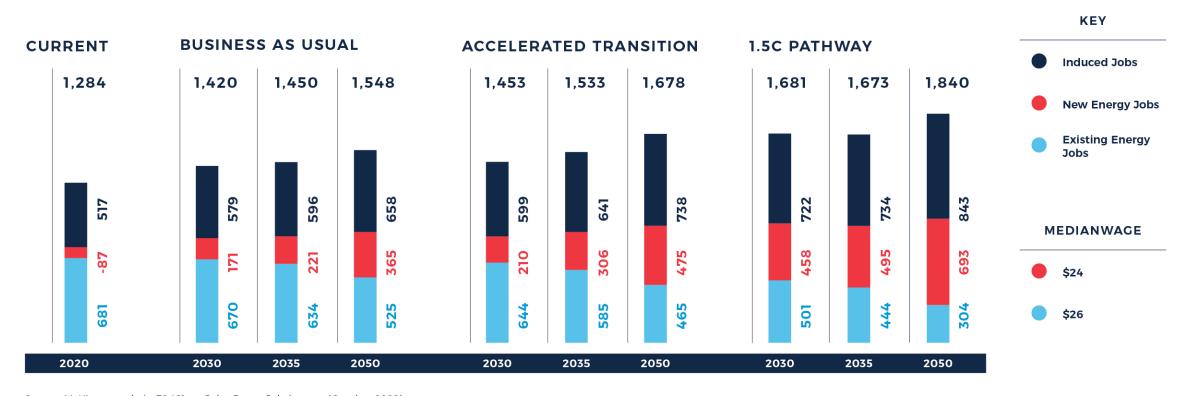
THE ENERGY TRANSITION IS EXPECTED TO CREATE MASSIVE CHANGES IN THE ENERGY ECONOMY





WITH DECISIVE ACTION, HOUSTON COULD GAIN 560,000 JOBS

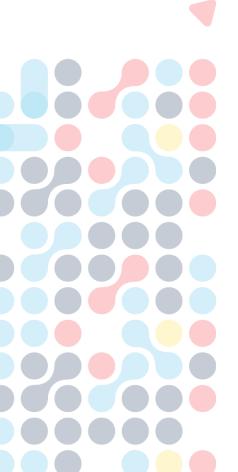
Houston Energy Employment Across Scenarios (Thousand Direct and Indirect Jobs)



Source: McKinsey analysis; E2 "Clean Jobs, Better Jobs" report (October 2020)



VISION



Leverage
Houston's energy
leadership to
accelerate global
solutions for a
low-carbon future.

Drive sustainable and equitable economic growth in the Greater Houston region through a portfolio of technology, policy, and market initiatives that embrace and create value from the world's transition to low-carbon energy systems.

Delivering on this vision requires us to build upon our history of leadership in the energy and chemical industries, provide new opportunities to our people, and leverage our assets and existing expertise, while creating conditions to attract new and innovative talent and capital.

A successful effort would result in **economic** growth and positive impact on the environment, thereby placing Houston as the leading hub of energy and clean tech innovation.



STRUCTURE

Attributes: Light touch governance; executed through the Partnership; resources/participation tailored to individual value-chain initiatives; consistent communication among ecosystem players; fast start; phased growth

GREATER HOUSTON PARTNERSHIP. HOUSTON ENERGY TRANSITION INITIATIVE STEERING COMMITTEE INDUSTRY **Bobby Tudor** Scott Nyquist Eric Mullins **ADVISORY** VICE CHAIR VICE CHAIR CHAIR **BOARD** Jane Stricker EXECUTIVE DIRECTOR **WORKING GROUPS** ACADEMIA. Capital & Decarbonization PUBLIC Carbon Capture. of Industrial Funding Hydrogen **ENTITIES. AND** Use & Storage Assets Structures **EXTERNAL ORGANIZATIONS** ADDITIONAL WORKING GROUPS TO BE DEFINED SUPPORT FROM MCKINSEY & COMPANY

- SteerCo meets quarterly on priorities, key decisions, and progress.
- Each member assigns a delegate which meets monthly to monitor and progress initiatives
- · Industry-led working groups
 - Progress initiatives
 - · Coordinate with external groups
 - SteerCo members join any working group
 - Additional industry members invited as needed
 - Quarterly progress reporting to SteerCo



KEY WORKSTREAMS - OBJECTIVES



Hydrogen

- Regional roadmap
- Value-chain development
- Research and funding opportunities



CCUS

- Engaging stakeholders
- Shape and align advocacy
- Commercialization and funding opportunities



Decarbonization

- Unified narrative
- Best-practice sharing
- Core operational activities
- Measurement and reporting
- Innovation



Capital Formation

- Level and flow of capital needed for the energy transition
- Houston's leadership in energy transition financing



CROSS-CUTTING INITIATIVES

- **1. Communications and branding:** Develop content and creative to tell Houston's energy transition story
- **2. Climate equity:** Develop a climate equity framework that includes community-based participatory research, a programmatic agenda to address issues identified, and metrics to assess progress
- 3. Thought leadership: Participate in key events to deliver HETI message, promote HETI member events, host annual Future of Global Energy Conference
- **4. Innovation ecosystem:** Promote Houston innovation ecosystem, support Tex-E, support federal/state grant funding opportunities (e.g., NSF engines)
- **5. Policy:** Assess energy transition policy landscape, identify areas of industry alignment, provide input to Public Policy agenda



ENVIRONMENTAL JUSTICE AND CLIMATE EQUITY

- Environmental Justice the fair treatment and meaningful involvement of all people, regardless of race, color, national origin, or income, with respect to the development, implementation, and enforcement of environmental laws, regulations and policies (US EPA)
- Climate Equity ensures the just distribution of the benefits of climate protection efforts and alleviates unequal burdens created by climate change
- The impacts from climate change pose the **greatest threat** to those least responsible for it and those **most vulnerable** to its effects
- The energy transition presents an opportunity, and a responsibility, for industry to address historic inequities as new low-carbon energy solutions are developed and deployed



ADDRESSING ISSUES OF ENVIRONMENTAL JUSTICE & EQUITY

- Climate Risk climate & flood adaptation and resilience to shocks and stressors, including urban heat island effect
- Energy Burden access and affordability
- Environmental Hazards quality of air, quality of water
- **Public Health** challenges and opportunities, including issues beyond energy/pollution (e.g., food deserts)
- Workforce Development preparation for and access to new energy jobs















DEVELOPING A CLIMATE EQUITY STRATEGY

ROADMAP: EXECUTIVE SUMMARY; MAPS CLIMATE EQUITY STRATEGY, KEY DECISION POINTS, STAKEHOLDERS AND ACTIVITIES

FRAMEWORK: CLIMATE EQUITY STRATEGY;
DETAILS PROCESSES TO CO-CREATE SOLUTIONS
WITH CORPORATIONS AND COMMUNITIES





CLIMATE EQUITY: HOW HETI IS PROGRESSING



Developing a perspective on three questions...



What are the **baseline/current community engagement best practices** for the energy transition?

- Case Study Analysis
- Confidential 1:1 Research with Companies
- Federal, state and local requirements (e.g., EJ 40)



What activities for community engagement are best to bridge the gap between corporate climate action and community priorities?



What processes for **community engagement** would improve climate equity for the **energy transition?**



... and share a vision for how the Energy Transition can improve the quality of life for all members of society

Get underneath the **concerns and opportunities** associated with the energy transition...

- Identify transformative energy transition projects that have been announced publicly to identify major opportunities for community engagement
- Conduct confidential 1:1 interviews with industry members and project developers on community engagement current processes and best practices
- Identify with communities the opportunities for improved community engagement and effective two-way dialogue
- Publish a climate equity framework to document findings and share perspectives on how Houston can lead the energy transition with equitable community engagement and cocreated solutions