

## 4 c The equity pause

We want to create a zero-carbon energy system that is fair, participative and efficient.

Being fair is not only the right thing to do, but also necessary if we are to achieve the level of participation at the grid edge needed to support the transition to a net zero. The concept of the 'equity pause' is to make sure at every step of service development we consider fairness of outcomes, fairness of process and fairness of treatment.

### Useful for

- Thinking through how the costs and benefits relating to an activity are distributed, and how this can be done more fairly.
- Identifying who may be excluded from using a service, opportunities to broaden participation or find alternative services that meet their needs.
- Identifying whose voice is not in the room and considering how they might be involved in decision making.
- How do we design products to ensure we do no harm, respect service users and achieve informed consent.

### How it works

The equity pause is quite literally that – stopping for a moment to reflect on whether the product, service or activity you are undertaking is fair – and if not, how not, and what you can do to make it more equitable. It is a series of questions to ask yourself – and some suggestions to consider how to make the situation more fair or equitable.

Different questions may be more relevant than others in different phases in a project or service development.

The suggestions relate to different activities in the playbook where you might wish to use, and then have an equity pause.

### Benefits

1. Who is benefiting from an activity?
2. Who is not able to benefit, and why?
3. How could more people benefit?

Suggestions:

- Defining your audience and market

As you develop a picture of your key service users, pause and consider who is being excluded. Propensity characteristics can be particularly helpful for this. For example – if you need a battery to use a service, those without a battery cannot benefit. If you need to own your home – how might the service be adapted for tenants?

## Costs

4. Who is pay for a service – either directly or indirectly?
5. Is the distribution of costs progressive, regressive or proportionate?

Suggestions:

- Creating value

Turn the tiered benefits mapping on its head to consider what the costs are at each level and who might bear them directly or indirectly. Then consider how they might be mitigated, or more fairly distributed. For example, will the cost of upgrading a substation fall to the person whose connection request tips the total load over a threshold, or is it shared by everyone already taking up space on the network?

In tax regime terms, a progressive tax is one that increases with higher earnings, a regressive one, hits those with lower earnings disproportionately. Is your distribution of costs progressive, regressive or proportionate?

- Increasing participation: identifying costs

Costs of participation aren't just financial – the identifying costs of participation template helps you think through the wider range of costs.

- Customer protection

Our ethical principles are designed to support fairness of treatment. Consider adopting the principles and putting them into practice.

The Home Flex code of conduct sets out good practice that promotes transparency, inclusivity and respect between Flexibility Service providers and customers. By reducing the chances of things going wrong, and having appropriate processes to handle issues if things do go awry, you can protect against escalating costs of participation, and support fairness of treatment.

## Opportunities

6. Who is able to participate?
7. Who can participate?
8. Who is not able to participate?
9. Who is at risk of being left behind?
10. Whose voice is not in the room?
11. How can you broaden participation either directly or indirectly?
12. Are there alternative opportunities you can signpost people towards?

Suggestions:

- Stakeholder mapping

Use mapping techniques to identify stakeholders who may not be crucial for the success of your project, but nevertheless have an interest in it. Identify how you can consult with and inform these stakeholder groups to give them a voice in the project and learn from your activities.

- Defining your audience and markets

Can you create opportunities for excluded audiences and markets to have a voice?

- Increasing participation

Can you identify alternative products and services you can signpost people towards that may better suit their needs – allowing them to participate through a different route?

If barriers to participation arise due to structural disadvantages, how might you use your experience to influence policy changes that would support greater inclusion?

## **Finally, some learning from Project LEO to bear in mind:**

### **One size won't fit all**

There will be no single 'universal' service that works for everyone and attempts to broaden appeal and accessibility to all risks creating a service that works for no one. We need a portfolio of services that between them create opportunities for everyone to meet their needs and benefit from the transition to net zero.

### **Balancing opportunity with risk**

Innovative services often bring with them increased risk. For example, you may need to buy new equipment to take part, but there is no guarantee that the service will exist beyond the duration of the trial. As a result, there may be a tension between maximising inclusion, whilst also reducing risk for those least resilient to it. Can you put measures in place to reduce risk, or find alternative ways for those less resilient to risk to still be involved in a project, without directly participating?

### **What next?**

Considering adopting the full set of Project LEO Ethical Principles to guide your project development and organisation's ways of working.