

March 2025

Bridging the Gap in Clean Energy Access for Latine Communities

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Executive Summary

- The transition to cleaner energy is accelerating, but its benefits remain out of reach for many Latine communities.
- Latine households face disproportionate vulnerabilities to climate change due to significantly lower median wealth compared to White households (\$48,700 vs. \$250,400 in 2021).
- Latine families experience 24% higher energy burdens than White households due to older, inefficient housing and limited access to energy-saving technologies, compounding economic and health disparities.
- Existing incentives like solar rebates and EV tax credits disproportionately benefit wealthier, home-owning populations, excluding renters and low-income households.
- Structural barriers, including outdated utility rate structures and limited language accessibility, alienate disadvantaged communities from clean energy projects.
- Policymakers should expand community solar programs to provide equitable access to clean energy for renters and low-income families, foster local economic resilience through community benefits agreements (CBAs), and ensure accountability in federal investments to direct benefits to disadvantaged communities.

Workforce development programs should prioritize Latine communities for clean energy jobs in solar installation, EV infrastructure, and energy efficiency upgrades.

Understanding the Clean Energy Divide

The climate crisis, marked by rising global temperatures and increasingly frequent natural disasters, has driven a recent policy shift toward prioritizing clean energy solutions and renewable energy development. States such as California, Texas, and Florida—home to over half of the Latine population in the United States—are experiencing some of the most destructive impacts of climate change, from devastating hurricanes to record-breaking heat waves.[1] Yet, Latine households, like other marginalized communities are disproportionately vulnerable, with significantly fewer resources to adapt to and combat these challenges. In 2021, the median wealth of Hispanic families was just \$48,700 compared to \$250,400 for White families, underscoring a stark financial disparity that leaves many Latine families at greater risk from escalating climate impacts.[2] Compounding this, decades of underinvestment in infrastructure have left low-income communities and communities of color dangerously exposed to the consequences of climate change. [3]

This alarming inequity, coupled with growing recognition of the need for climate action, has fueled policy efforts aimed at accelerating the transition to clean energy. Many cities and states have set ambitious mandates for achieving 100% clean energy, yet the benefits of these initiatives have historically been unevenly distributed. Low-income households, renters, and communities of color—those who often bear the greatest environmental and economic burdens—are frequently excluded from programs like solar incentives, electric vehicle (EV) rebates, and energy efficiency upgrades, which tend to favor wealthier, homeownership populations.[4]

A pivotal moment in addressing these disparities came with the passage of the Inflation Reduction Act (IRA) in 2022.[5] As one of the most significant climate-focused investments in U.S. history, the IRA allocates approximately \$370 billion toward tax provisions, grants, and loan programs to advance clean energy, climate resilience, and environmental justice.[6] The IRA's provisions include incentives for renewable energy production, EV adoption, energy-efficient home upgrades, and the development of innovative clean technologies. Crucially, the IRA also reinforces former President Biden's Justice40 Initiative, which seeks to ensure that 40% of the overall benefits from federal climate and energy

investments flow to disadvantaged communities.[7] However, the new Trump administration repealed the Justice40 Initiative and paused disbursements from the IRA, signaling a shift away from prioritizing clean energy and environmental justice. This development underscores the critical importance of ensuring that any obligated IRA funding is implemented effectively to support disadvantaged communities.[8]

While the IRA and Justice40 represent significant progress, achieving their equity goals requires addressing persistent structural barriers within the clean energy landscape. Existing clean energy programs often remain inaccessible to low-income households and renters, leaving many Latine families—who already experience higher energy burdens than their White counterparts—unable to benefit from these initiatives. The median energy burden for Hispanic households is 24 percent higher than that for non-Hispanic White households.[9] Latine families also spend a larger proportion of their income on home energy bills, further exacerbating economic vulnerabilities.[10] Moreover, the lack of funding mechanisms and technical support tailored for community-owned clean energy projects limits opportunities to expand equitable access.[11]

Addressing these challenges presents not only a policy imperative but also a critical opportunity: to ensure that Latine/a/x communities see themselves reflected in clean energy solutions, contributing to and benefiting from the transition to a sustainable, equitable energy future. This moment calls for inclusive policies that expand access, reduce energy burdens, and invest in the resilience and well-being of historically underserved communities.

Unequal Access to Clean Energy: Impacts and Urgency

The transition to clean energy is critical for mitigating climate change and improving public health. However, the current clean energy system disproportionately benefits higher-income, home-owning, predominantly White communities.[12] In contrast, low-income households, renters, and communities of color—particularly Latine communities—remain largely excluded. This inequity manifests through limited access to incentives, heightened energy burdens, and exclusion from community benefits.

Barriers to Incentives and Support

Clean energy incentives, such as solar rebates and electric vehicle (EV) tax credits, are often structured to favor homeowners who can install solar panels or afford EVs. Renters and low-income individuals, who may lack control over their housing or the financial means to invest in such technologies, are frequently left out. In Los Angeles, a city with ambitious goals to achieve 100% clean energy by 2035, these inequities are stark. According to the LA100 Equity Strategies report, only 23% of EV rebates and 38% of solar incentives have gone to disadvantaged communities, despite these communities often facing higher energy burdens, unsafe indoor temperatures, and poorer air quality.[13] Predominantly Latine neighborhoods like South Los Angeles, East LA, and parts of the San Fernando Valley—where many low-income households live in older, energy-inefficient homes—are particularly impacted.[14]

The Burden of High Energy Costs
Latine households face disproportionately higher energy burdens compared to their White, non-Hispanic counterparts. Defined as the percentage of household

income spent on energy bills, energy burden becomes especially problematic for Latine families due to systemic and structural barriers. [15] Nationally, Latine households experience a median energy burden 20% higher than White households, driven by lower incomes, older housing stock, and limited access to energy-saving technologies. Many Latine families live in older homes or multi-family buildings with inadequate insulation, inefficient heating or cooling systems, and outdated appliances. These inefficiencies significantly increase energy consumption, compounding financial strain on households already struggling with rising costs for housing, healthcare, and other necessities.[16]

The consequences of these high energy burdens extend beyond financial strain. Energy insecurity—the inability to meet basic household energy needs—forces families to choose between paying utility bills and affording essentials like food, medicine, or education. This dynamic reinforces cycles of poverty, poor health outcomes, and diminished quality of life in Latine communities.

Systemic Barriers to Community Benefits and Clean Energy Projects

Existing clean energy projects frequently fail to include provisions that directly benefit disadvantaged communities, widening the gap in energy equity. This exclusion is rooted in systemic barriers such as outdated utility rate structures and limited participation in decision-making processes. These systemic inequities not only erode trust in government but also impede progress toward equitable climate solutions. For instance, environmental policies like the National Environmental Policy Act (NEPA) are designed to ensure

Under the Bipartisan Infrastructure Law (BIL) and IRA, CBPs are now central requirements for federal funding.[27] Standardizing CBAs and CBPs ensures clean energy investments align with Justice40 goals, directing 40% of federal funds to disadvantaged populations. Workforce development programs integrated into CBPs prepare historically marginalized communities, including Latines, for clean energy jobs in solar installation, energy efficiency upgrades, and EV infrastructure.

Equitable Funding and Accountability Measures

Equitable funding mechanisms must prioritize community solar projects and programs that benefit low-income households, renters, and communities of color. The Department of Energy (DOE) should require developers to include CBPs in funding applications, embedding equity in the review process. Monitoring mechanisms, including independent audits and public reporting, are necessary to ensure commitments are fulfilled and transparency is maintained.

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Endnotes

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