

Presentation to the Michigan Public Service Commission Staff Solar Working Group

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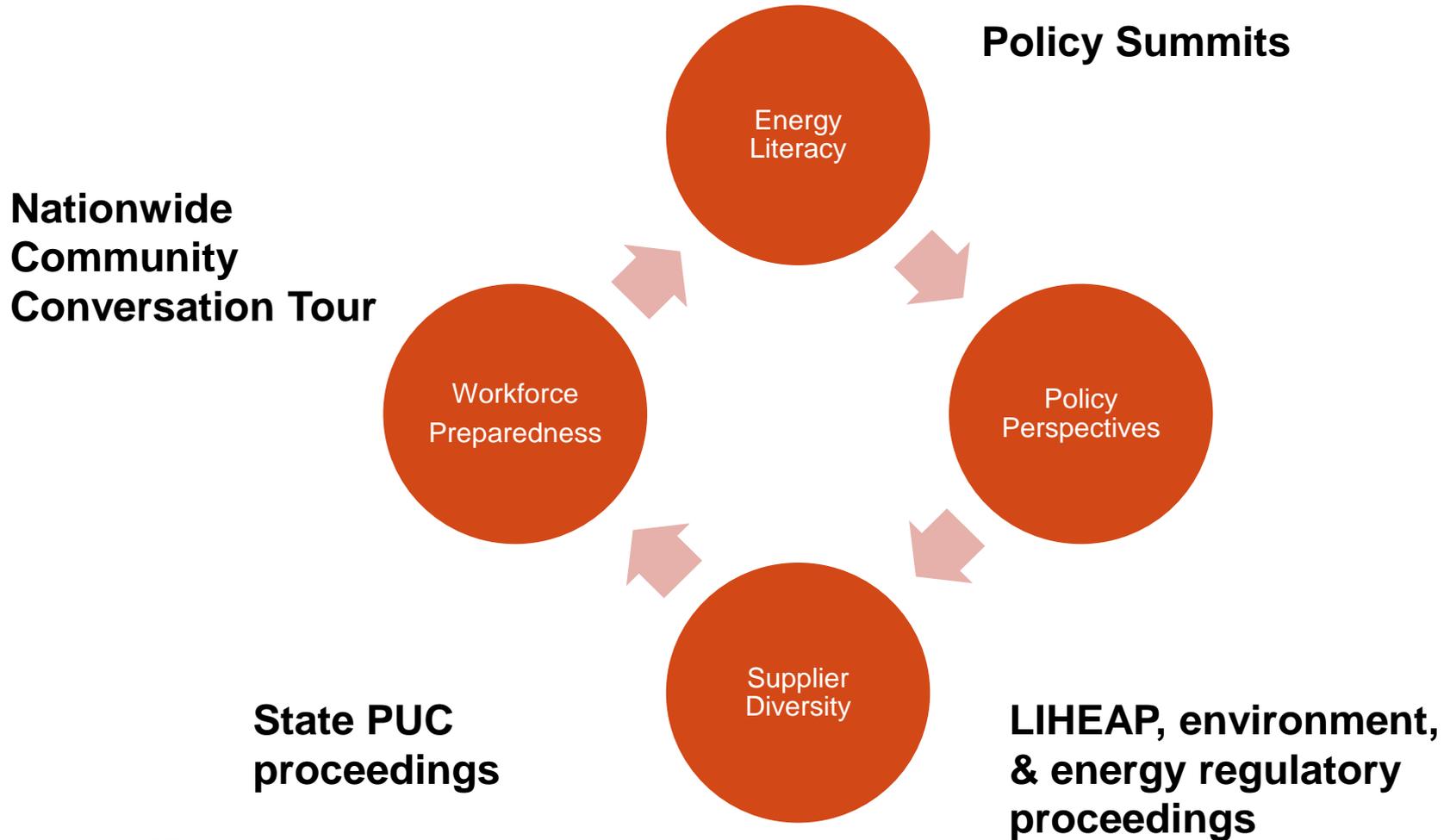
About Hispanics In Energy

- Officially began efforts in 2012
- National organization
- Membership includes community driven outreach as well as individuals within all energy sectors
- Organized due to the lack of Hispanics within the energy sector
- Created to assist utilities, regulatory sector, and other stakeholders see value in enhancing Hispanic customer engagement through language access and energy literacy

Mission

- Promote mechanisms which help achieve diversity in the energy workforce and energy supplier base
- Educate the Hispanic and other diverse communities on energy issues
- Create partnerships to break down barriers and reach common goals
- Provide a voice on issues in a manner than educates policy makers to a view point that is often lacking, but critical

Primary Engagement Efforts



Hispanics in the US

53 million (or 17%)

- By 2060 will be 31%

Median income at \$38,624

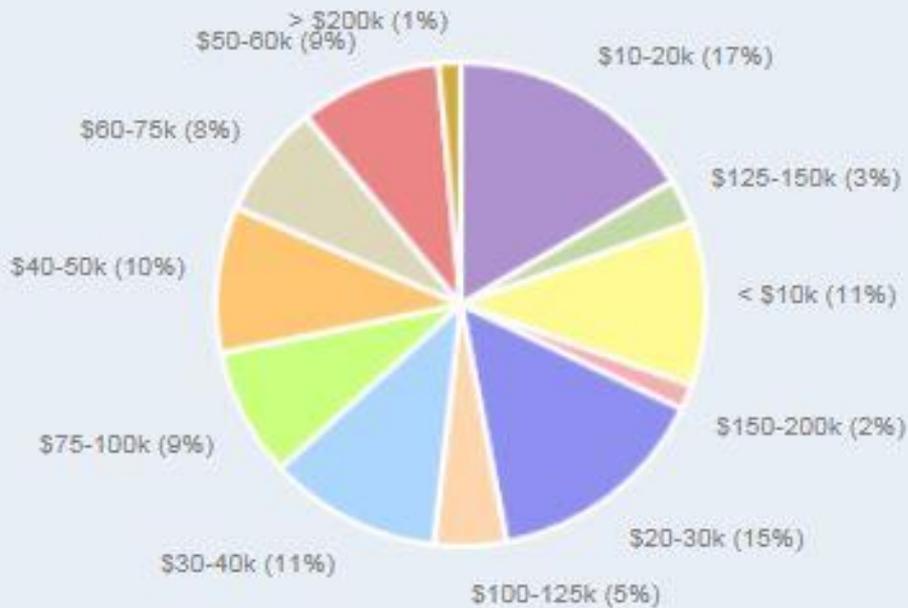
- Median US household income is \$51,100

Poverty rate at 25.3%

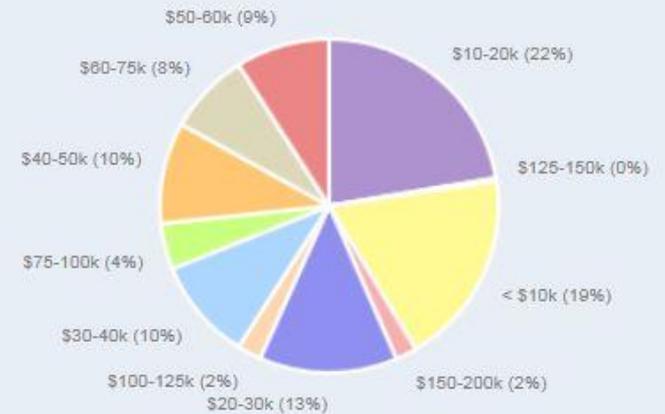
- National poverty rate at 16%

Hispanics in Michigan

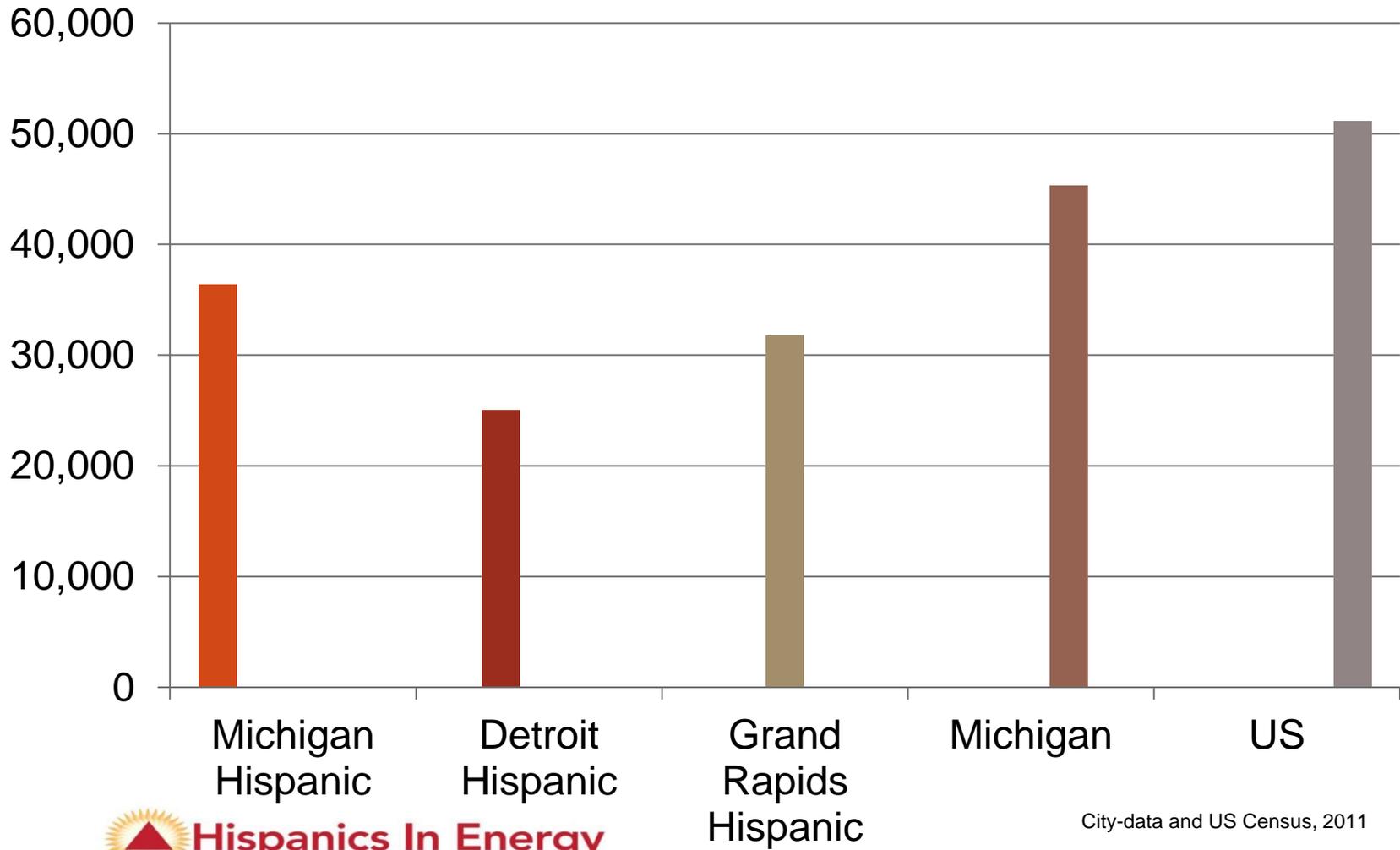
Income distribution in Michigan (%)



Income distribution in Detroit (%)



Median Household Income



Why Energy Policy Matters

- Everyone Uses Energy!
- Affordability is Essential!
- Lacking energy can be tied to life and death circumstances!
- Energy is connected to economic viability and development!

Weighing in on Distributed Generation and Net Metering Policies

“particular attention should be given to the cost impacts on all utility customers, including those not participating and those least able to afford such costs.”

– CCIF July 2013 Principles #16

- National Resource Defense Council and Edison Electric Institute joint agreement
- Hispanics in Energy has provided comment to state PUC’s
- American Association of Blacks in Energy
- Asian Americans in Energy, the Environment and Commerce
- Critical Consumers Issues Forum (CCIF)

Truth vs Myth

Truth

- Net metering customers still use the grid and have a need for the grid.
- If you are not connected to the grid, you can't buy or sell power.
- CA PUC study projects \$1.1 billion a year will be absorbed by non-solar customers
- Net metering policies can be crafted to promote fair regulatory policies, be technology neutral, and protect investments to the grid.

Myth

- Once you put up a home solar panel, you have no need for the grid. You are “grid free.”
- Net metering means you don't have to pay for distribution.
- There are no subsidies caused by any net metering policy. And, if there is – the value of clean energy is the benefit.
- Changing net metering policies is a tax on the sun.

Home Energy Affordability

- Lower income customers have a higher energy burden to meet (percentage of income spent on energy)
 - 273,000 households have a 37% home energy burden
 - 324,000 households have a 20% home energy burden
 - 250,000 households face an 11-14% home energy burden
 - Average Michigan household has a 6.4% home energy burden
- Energy assistance dollars only serve less than half of Michigan's households who need it
 - Low Income Home Energy Assistance is always at risk of lower funding
 - Only half of the 1.2 million customers eligible for assistance, receive any (due to lack of funding to meet the need)
 - Energy assistance doesn't ever meet the full need (the need may be \$500 but some programs offer only \$200)
 - Cost shifts between customers will further weaken the value of available energy assistance

Lessons from other states

- **Recognize impact on all customers**
 - Analyze how policies help or hurt customers
 - Be sure to consider impact on low income customers (a cost equivalent of a Starbucks or Biggby's coffee to every household might not be as minimal as you think)
- **Be consistent with state policies**
 - Cost of service principles
 - Study the impact of real costs and benefits
- **Technology neutral yields best results**
 - Best results in a regulated environment are created when negative impacts are avoided (ie, utility is resource neutral)
- **The PSC has to be a voice to the public**
 - Because public confusion can result on these complex regulatory policies, its important the PSC has good public education on the issues

Lessons from other states, continued

- Not all customers are created equal
 - Credit score eligibility is at 680 for leasing programs
 - Distributed generation often leaves behind low income customers (simply can't afford it)
 - Low credit scoring and cash based communities are left out
- Policies have to be prepared for growth
 - No one expected the distributed generation boom in some western states
 - Policies in place were to create incentives that were unnecessary
- Protect the customer
 - Consumer protection issues are coming up, especially with fly by vendors
 - Create standards for vendors and how to guides for prospective customers

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