



Soulardarity

MPSC Distributed Generation Program Tariff Work Group

November 7, 2017

About Soulardarity

- Based in Highland Park, MI
- Our goals:
 - To build energy democracy through education, organizing, and community-owned clean energy, and
 - To improve the economic condition of low-income communities, and especially low-income communities of color
- Our projects:
 - Solar street lighting
 - Solar bulk purchasing
 - Energy education
 - Expanding access to clean energy

Why do we care about the Staff's Concept DG Tariff?

- General goal of improving access to DG for low-income and people of color communities in Michigan
- Concerned about how the Concept Tariff may limit access to renewable energy by these communities
- MPSC Staff should use these concerns to inform changes to the Concept Tariff, especially around four issues:
 - Impact on low-income and people of color communities
 - Lack of transparency of cost
 - Customer termination
 - Community solar

Impact on Low-Income and People of Color Communities

- **Concern:** The Concept Tariff does not address the potential impact on low-income and people of color communities.
- **Recommendations:**
 - Conduct and provide an analysis of the impact on low-income customers
 - Structure the tariff to lower barriers to entry for and to encourage participation by low-income customers
 - Measure success by impact on communities already impacted by pollution and other forms of environmental racism

Lack of Transparency of Cost: Concern

- Examples:
 - Customer Billing – Inflow (C11.E)
 - Customer Billing – Outflow Credit (C11.F)
 - Interconnection Application Fee (C11.G)
- Without this information, a potential customer cannot calculate the cost of joining and staying in the DG program, and advocates cannot assess fully the Concept Tariff and its potential impacts

Lack of Transparency of Cost: Recommendation

- Clarify that the MPSC will be responsible—prior to implementation—for ensuring these rates and charges are just and reasonable.
- Lay out the factors the MPSC must consider when reviewing these rates and charges, e.g.
 - Impact on low-income communities
 - Encouragement of the expansion of renewable energy
 - Maintenance of transparency with customers

Customer Termination: Concern

- Customer Termination Requirements (C11.L)
- Re-Enrollment: Property ownership changes
 - If property ownership changes, the language seems to indicate that the property would be removed from the DG program and a new property owner would have to re-apply and pay application fees
 - Requiring re-application is particularly problematic due to 2016 PA 342 § 173(3), which allows an electric utility to limit its DG program to “1% of its average in-state peak load for the preceding 5 calendar years.”
 - A property that used to participate may be barred from re-entering due to the utility having already reached its 1% cap.
 - Thus, the reapplication requirement might deter property owners from investing in distributed generation because the average life of a DG system (and the financing for it) is longer than the average length that a person is in his/her home. Such a requirement could gut the demand for the DG program before it even begins.
- Re-Enrollment: Re-application fees may be cost-prohibitive or costly

Customer Termination: Concern

- Termination: Not detailed enough to provide sufficient notice to potential customers about why they might be terminated in the future
- Notice of Termination:
 - Does not indicate the level of required detail in a notice of termination
 - Does not define “dangerous” or “hazardous”
 - Omits an appeal process for customers given notice of termination

Customer Termination: Recommendation

- Re-enrollment
 - Require that the property is not removed from the Program due to a requirement to re-enroll when property ownership changes
 - Make the application specific to the property, not customer
- Termination
 - Expand and clarify conditions required to terminate a customer.
 - Give customers a reasonable opportunity to cure and appeal the Company's decision
- Notice of Termination
 - Require that the notice of termination contains specific and detailed reasons for termination
 - Provide customers with a reasonable opportunity to address reasons for termination, e.g. at least within sixty days following notice

Community Solar: Concern

- **General Requirements (C11.H)**
- Provision requires the DG system to serve only the customer's premises
- Eliminates the possibility of community solar programs
- Does not address or define community solar or other multi-user renewable-energy systems.
- By eliminating the possibility of community solar, effectively eliminates access to distributed generation for renters, who make up a large portion of the low-income population

Community Solar: Recommendation

- Eliminate the requirement that the DG be located on the customer's premises and serve only the customer's premises.
- If not, then create an exception for community solar, e.g. allow certain groups of customers to serve several properties if these customers and their DG systems meet reasonable requirements.

Conclusion

- DG Program can increase renewable energy usage amongst communities that previously did not participate, especially low-income and people of color communities.
- The proposal places roadblocks in the way of these communities gaining access.
- The MPSC should encourage, not prevent, more customers joining the DG program through this tariff (e.g., community solar, property ownership changes).
- Consumers and their advocates need information now and prior to investment so that they can understand, express concerns about the costs, and make meaningful decisions regarding participation in the DG program.

Contact Us

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