

EAAC Definitions Subcommittee Road Map Stop 4

https://www.michigan.gov/mpsc/0,9535,7-395-93307_93312_93320_94834-558075--,00.html



GROUND RULES, ETTIQUETTE, & GUIDING VALUES!

REMINDER OF OUR CHARGE



Establish **common definition of energy security/self-sufficiency** – begin with proposed definition by MEAP Workgroup Subcommittee 2.



Develop proposal for an **energy affordability standard** and how the standard can be integrated into the regulatory environment.



Draft suggested requirements for consistent **energy affordability-related information** for utilities to submit to appropriate dockets: rate cases, IRPs, EWR cases.

Places to Revisit

- 📍 Basic needs: Majority (60%) support for including heating, cooling, and lighting.
- 📍 Energy efficiency: Majority (73%) support for inclusion
- 📍 Promote health and well being: Majority (64%) support for inclusion
- 📍 Reasonable Temperature: Lack of support (0%) for inclusion
- 📍 Consistency (10% support) / lack of interruption (64% opposed): Lack of substantial support for inclusion
- 📍 Sufficient quantities, adequate supply: Lack of substantial support for inclusion (91%, 82% opposed)



Revised Definition



Revised definition

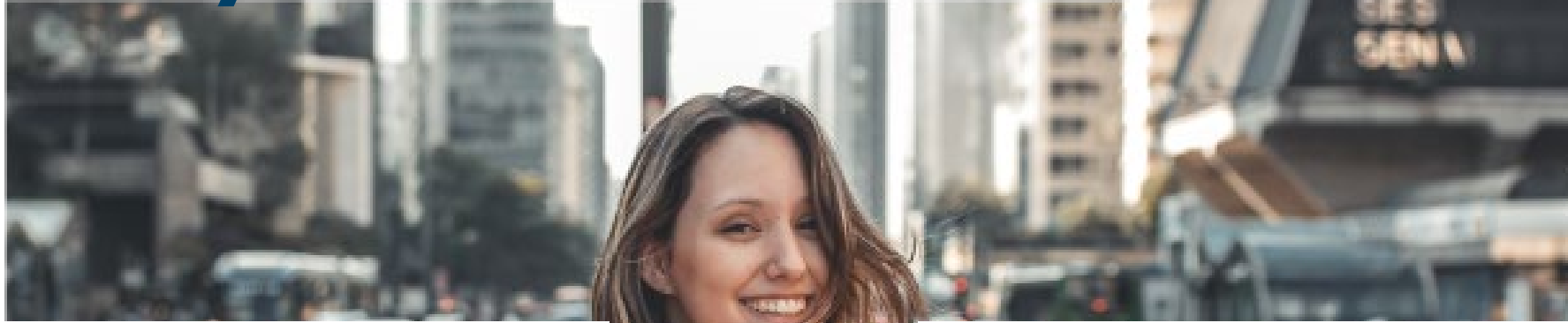
~~Self-sufficiency:~~

Energy Affordability:

“A household’s **home energy** ~~basic~~ needs for heating, cooling, lighting and other uses that promote health and well-being are being met ...while promoting energy efficiency ...

(while minimizing reliance on public assistance.”)

Affordability / Affordable



af ford able | \ ə- 'fɔr-də-bəl \

Definition of *affordable*

: able to be afforded : having a cost that is not too high

- products sold at *affordable* prices
- an *affordable* purchase
- *affordable* housing [=housing that is not too expensive for people of limited means]

Affordable in a Sentence

Recent Examples on the Web

- Without question, affordable housing has caused contention across all classes. — Kellie Rastegar, Forbes, 17 Sep. 2021
- An old McDonald's in San Francisco is slated to become affordable housing. — Anna Buchmann, San Francisco Chronicle, 17 Sep. 2021

These example sentences are selected automatically from various online news sources to reflect current usage of the word 'affordable.' Views expressed in the examples do not represent the opinion of Merriam-Webster or its editors.

<https://www.merriam-webster.com/dictionary/affordability>

CONCEPTS TO UNPACK

Affordability

“not too expensive for people of limited means”



Consider whether and how to include the following:

- 📍 **Consent** or **agreement** to price/cost
- 📍 **Reasonable** pricing
- 📍 Payment **predictability**
- 📍 **Ability** to pay on time
- 📍 **Ability** to pay bills today or over time, month after month
- 📍 **Ability** to pay bills without use of savings or credit

Consent or Agreement



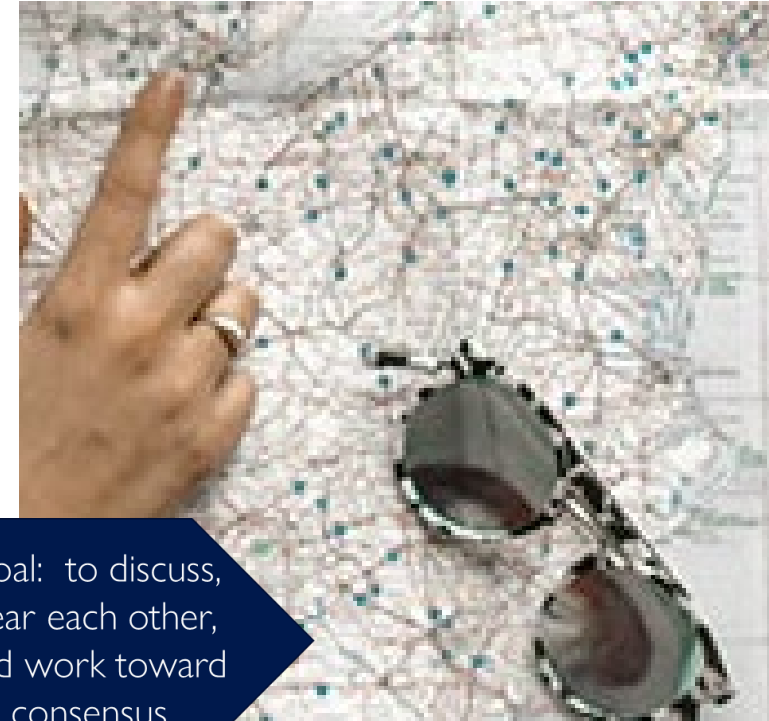
Goal: to discuss,
hear each other,
and work toward
consensus.

What are the relationships of the concepts of **consent** and **agreement** to energy affordability?

Should these concepts be included in the definition?

Reasonable Pricing

- How do we determine what is reasonable?
 - “not too expensive”
 - “not too high for people of limited means”
- How would we determine whether we have achieved reasonable pricing?
- Should we include this concept in our definition?
 - If so, how?



Goal: to discuss,
hear each other,
and work toward
consensus.

Payment predictability

Should the concept of
payment predictability be
included in our definition?

If so, how?

Goal: to discuss,
hear each other,
and work toward
consensus.

On time



Does energy affordability mean:

- The ability to pay on time?
- The ability to pay bills today or over time, month after month

Goal: to discuss,
hear each other,
and work toward
consensus.

Without use of savings or credit

Goal: to discuss,
hear each other,
and work toward
consensus.



Does energy affordability mean
the ability to pay bills
without use of
savings or credit?

QUESTIONS TO KEEP IN MIND

Will this definition, as refined, help us to develop an energy affordability standard and measure success?

Does this definition point us to data that will be useful to consistently collect in rate cases?





PIT STOP

Let's take note of your opinions.

Do we have consensus?



ADDITIONAL THOUGHTS AND FEEDBACK

SUGGESTIONS WELCOMED!





NEXT STEPS

1. Do we want to clarify what we mean by household?
2. How does 'clean energy' factor into energy affordability?

