



The Changing Consumer-Utility Relationship A Low Income Perspective

Prepared for UT Energy Week
February 2017



committed



sustainable



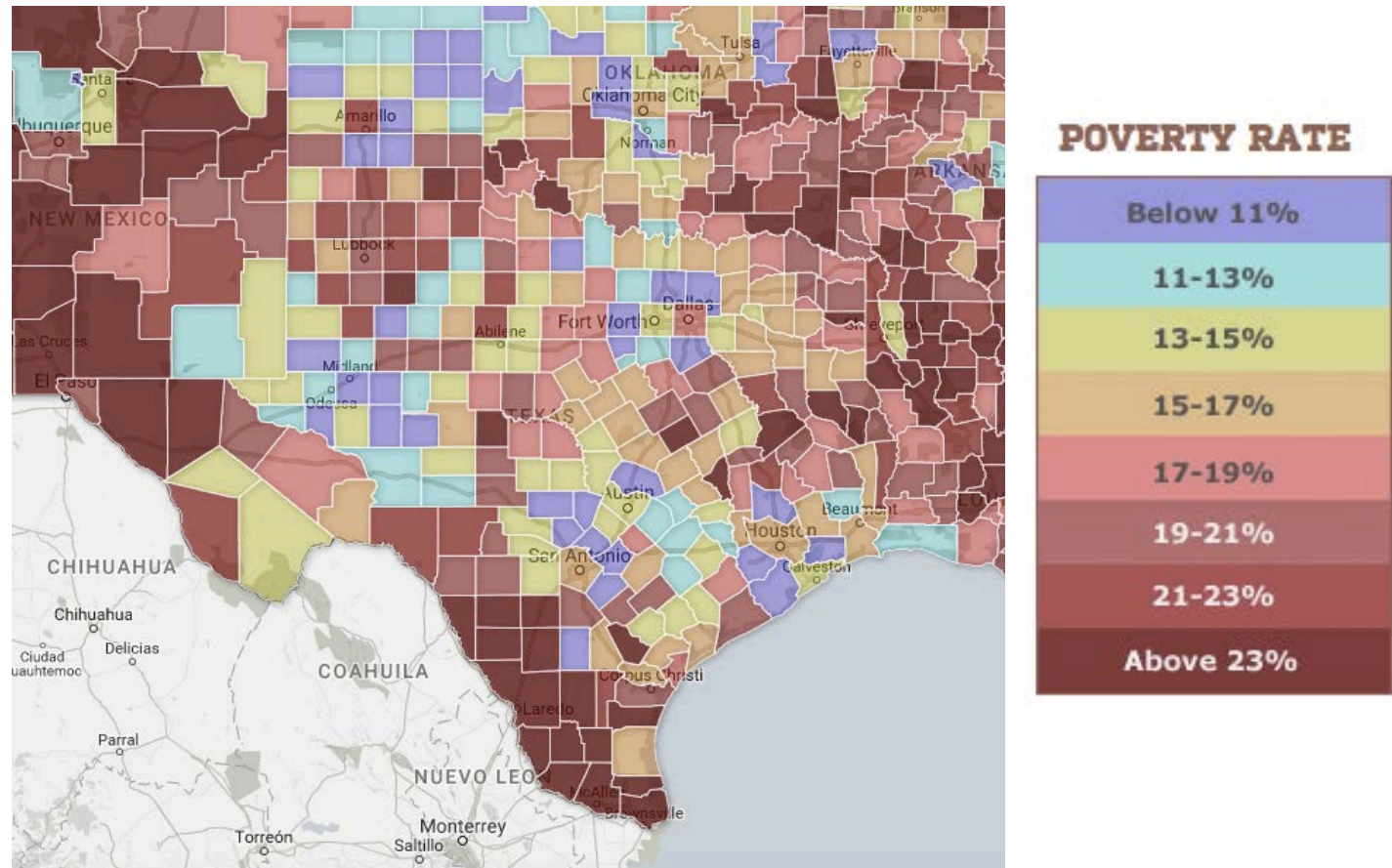
impactful

MISSION

TEPRI's mission is to inspire lasting energy solutions for low-income communities.



9.4 MILLION LOW-INCOME TEXANS



Source: [Poverty USA](#), Based on Census Bureau Small Area Estimates Branch November 2011

LOW-INCOME PERSPECTIVE

Source: Poor Texans left in dark as state electricity aid program ends, Texas Tribune, by Jim Malewitz Jan 5, 2017



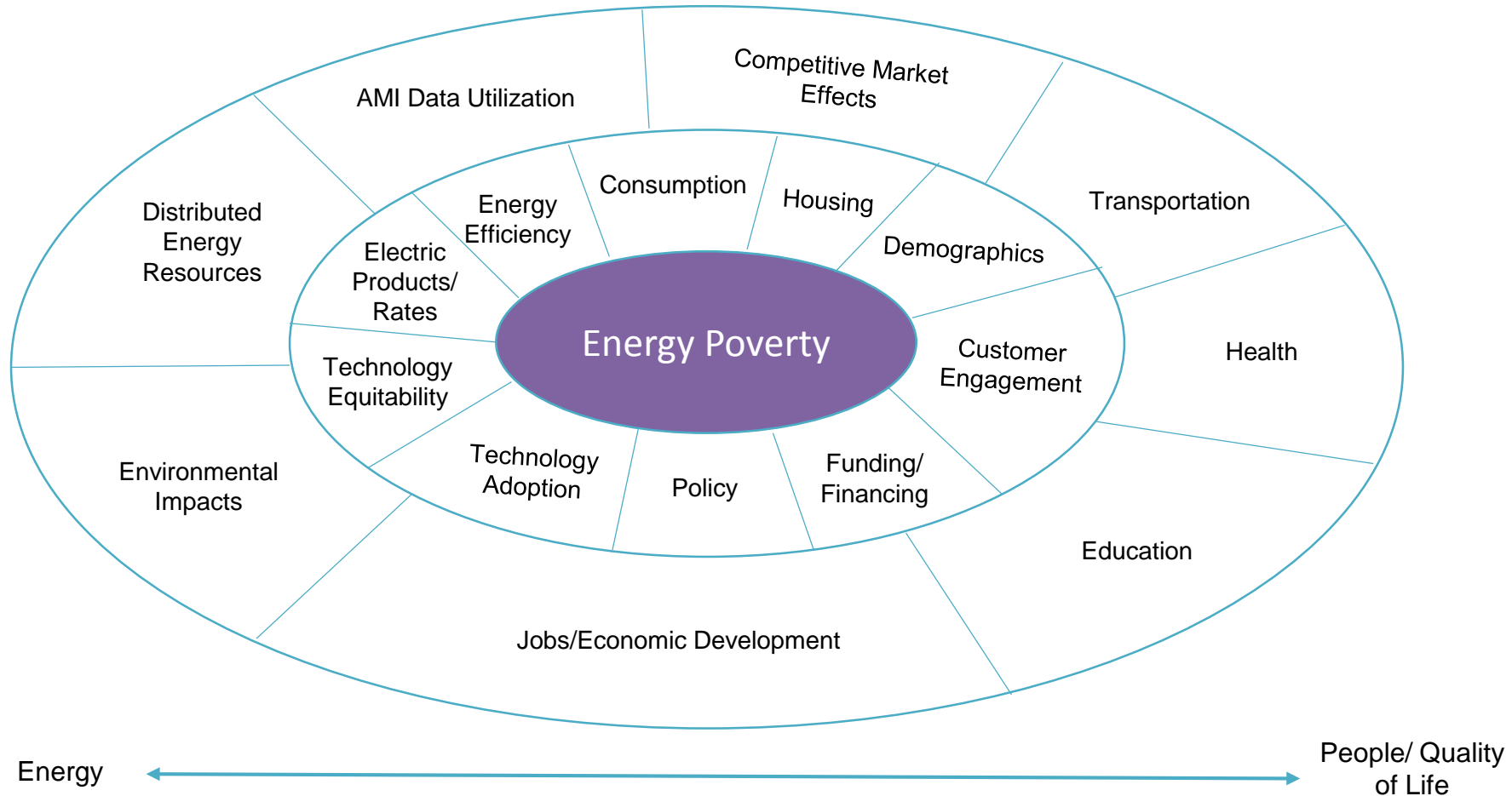
Mary Garcia at her home in Arlington, Texas, on Dec. 22, 2016.  Cooper Neill for The Texas Tribune

SIGNIFICANT CHALLENGES AHEAD

- How do utilities earn revenue despite falling demand and customer side generation?
- What regulatory policies will be required to ensure sustainable, equitable, and forward-thinking development?
- Will grid modernization processes envision new rate structures that would likely reduce cross subsidization upon which most low-income assistance programs rely?

This evolution will impact some of the most vulnerable members of our community.

ENERGY POVERTY IS A COMPLEX PICTURE IN TEXAS



LOW-INCOME HOUSEHOLDS AND SOLAR

Barriers to going solar including:

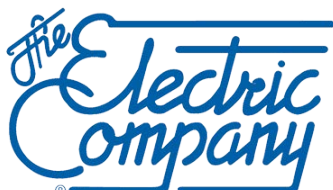
- Lower income households are less likely to own their roof due to higher rates of living in multi-family buildings and being renters
- Lower income households have limited access to financing due to lower savings, less income to borrow against, and lower credit scores that further reduce access to affordable capital.
- Lower income households are more likely to live in buildings with deferred maintenance that require other upgrades before solar investments make sense.
- Lower income households are unable to realize the financial benefits of solar directly in cases where utility bills are partially or fully subsidized.

Source: Bridging the Solar Income Gap – GW Solar Institute – J. Mueller, A. Ronen – January 2015

TEPRI INITIATIVES

Energy Poverty Clearinghouse	Texas Low-Income Profile Report	Best-In-Class Case Study Series
<ul style="list-style-type: none">• Advance collective knowledge• Repository of thought leadership• Tool to raise awareness• Share best practices• Identify needs	<ul style="list-style-type: none">• Reduce barriers to outreach and education• Increase effectiveness of energy efficiency programs• Evaluate policy and funding requirements• Define market to encourage technology innovations• Explore renewable energy models to reduce energy burdens	<ul style="list-style-type: none">• Evaluate and share best practices• Effectively lower energy burdens• Measure impact

COLLABORATION OF COMMITTED STAKEHOLDERS



El Paso Electric



A Calpine Company NYSE CPN



CONCLUSION

This complex set of problems requires stakeholders working together.

As prices increase, so does poverty - for every 10% increase in home energy costs, 840,000 Americans will be pushed below the poverty line.

Energy solutions of the future must be designed with low-income consumers in mind, not as an afterthought.



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