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

Energy

Distributed Energy Resources
Environmental Impacts

Electric Efficiency
Technology Adoption
Policy

Energy Poverty

AMI Data Utilization
Competitive Market Effects

Electric Products/Rates

Technology Equitability

Consumption
Housing

Demographics

Customer Engagement

Transportation

Health

Education

Jobs/Economic Development

Funding/Financing

People/ Quality of Life

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Texas Energy Poverty Research Institute
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.

## TEPRI INITIATIVES

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<th>Energy Poverty Clearinghouse</th>
<th>Texas Low-Income Profile Report</th>
<th>Best-In-Class Case Study Series</th>
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<td>• Advance collective knowledge</td>
<td>• Reduce barriers to outreach and education</td>
<td>• Evaluate and share best practices</td>
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<td>• Repository of thought leadership</td>
<td>• Increase effectiveness of energy efficiency programs</td>
<td>• Effectively lower energy burdens</td>
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<td>• Tool to raise awareness</td>
<td>• Evaluate policy and funding requirements</td>
<td>• Measure impact</td>
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<td>• Share best practices</td>
<td>• Define market to encourage technology innovations</td>
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<td>• Identify needs</td>
<td>• Explore renewable energy models to reduce energy burdens</td>
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COLLABORATION OF COMMITTED STAKEHOLDERS

CPS Energy

AUSTIN ENERGY

ONCOR

KLEIN ENERGY

The Electric Company

Champion Energy Services

A Calpine Company NYSE CPN

CITY LIGHTS GROUP

TACAA Texas Association of Community Action Agencies

CenterPoint Energy

Direct Energy

PowerFin Partners

Green Mountain Energy SUN CLUB

research into action

TEPRI Texas Energy Poverty Research Institute
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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