AFFORDABLE UTILITIES FOR ALL HOOSIERS

A VIRTUAL CONVERSATION ABOUT SOLUTIONS TO HIGH UTILITY BILLS

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CITIZENS ACTION COALITION
turning on citizen power  www.citact.org
AGENDA

- Why are energy bills so high right now?

- What is an “affordable” energy bill, and why is it important?

- What is CAC doing to advocate for lower energy bills and cleaner energy?

- What actions can households take to reduce energy bills?
ELECTRIC BILLS ARE INCREASING

- Average IOU monthly electric bill increased from $74 in 2000 to $155 in 2022.

- Electric bills are 22% higher now than in 2000 after adjusting for inflation.

- Note: Municipal utilities and REMCs are not shown here but are generally similar.
WHY ARE HOOSIER UTILITY BILLS INCREASING?

- The General Assembly has passed laws and the Indiana Utility Regulatory Commission has issued orders that increased the cost of utility service:
  - Utilities can pass on their costs to customers when the costs of coal and fossil gas increase and when they spend money on expensive equipment to comply with federal pollution standards.
  - Transmission, Distribution, and Storage Improvement Charge (TDSIC) gives utilities a blank check to spend on the grid and charge customers.
  - Repeal of Indiana’s energy efficiency standard and solar net metering has allowed utilities to cut programs that help customers lower their bills.
  - Unfair allocation of utility costs has resulted in higher bills for families to subsidize the electric bills of commercial and industrial customers.
WHY ARE HOOSIER UTILITY BILLS INCREASING?

Fossil gas prices are up 145%

Illinois Basin Coal prices are up 312%

Volatile fuel costs pass through to electricity and fossil gas consumer bills
Wholesale power market prices are typically higher in Indiana than surrounding states due to our reliance on more expensive coal and fossil gas power plants. New transmission could help distribute low-cost renewable energy across this region, saving customers money.

https://api.misoenergy.org/MISORTWD/Lmpcontourmap.html
## Needs Detail Table

*Click on a need to filter other visuals.*

<table>
<thead>
<tr>
<th>Need</th>
<th>Count</th>
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</thead>
<tbody>
<tr>
<td>Electric Service Payment Assistance</td>
<td>75,540</td>
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<tr>
<td>Rent Payment Assistance</td>
<td>74,874</td>
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<tr>
<td>Food Pantries</td>
<td>34,135</td>
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<tr>
<td>Ride App Services</td>
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<tr>
<td>Housing Search and Information</td>
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<tr>
<td>Homeless Shelter</td>
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<td>COVID-19 Immunization Clinics</td>
<td>17,602</td>
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<td>Gas Service Payment Assistance</td>
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<tr>
<td>General Legal Aid</td>
<td>16,154</td>
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<tr>
<td>Food Stamps/SNAP Applications</td>
<td>14,294</td>
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<tr>
<td>Utility Service Payment Assistance</td>
<td>11,889</td>
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</table>
Families had their power cut more than 3.6 million times (3,635,518) between January 2020 and December 2021.

Nine states saw customers disconnected more than 100,000 times. Indiana was one of them and ranked third in total disconnections at 264,241.

Seven utility holding companies, three of which operate in Indiana, shut off customers’ electricity more than 100,000 times during 2020 and 2021:
- AEP – parent company of Indiana Michigan Power
- AES Corp – parent company of AES-IN
Safe, reliable, and affordable utility service is an essential human need.

State laws should explicitly recognize that uninterrupted utility service is an essential human need and essential to public health and safety.

Utility service should be affordable for all households.
Define affordability
- Energy Burden greater than 6% considered high
- Energy Burden greater than 10% considered severe

Require that utilities report customer data by zip code or census block
- analyze the data to observe short and long-term trends; and
- investigate when disconnections disproportionately impact communities of color or other specific populations; and
- remedy disproportionate disconnections and other inequitable credit and collections practices.

Disconnections based on inability to pay for low-income households must be eliminated
RESIDENTIAL ENERGY BURDEN FOR ALL HOUSEHOLDS AND FOR HOUSEHOLDS WITH INCOMES AT OR BELOW 150 PERCENT OF HHS POVERTY GUIDELINES, 1979 TO 2017

<table>
<thead>
<tr>
<th>Year</th>
<th>All Households</th>
<th>Low-Income</th>
</tr>
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<tbody>
<tr>
<td>1979</td>
<td>3.8</td>
<td>15.6</td>
</tr>
<tr>
<td>1981</td>
<td>4.1</td>
<td>17.1</td>
</tr>
<tr>
<td>1983</td>
<td>4.1</td>
<td>14.6</td>
</tr>
<tr>
<td>1985</td>
<td>3.9</td>
<td>14.8</td>
</tr>
<tr>
<td>1987</td>
<td>3.4</td>
<td>13.1</td>
</tr>
<tr>
<td>1990</td>
<td>3.2</td>
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<td>1993</td>
<td>3.3</td>
<td>11.9</td>
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<td>2.8</td>
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<td>2001</td>
<td>2.6</td>
<td>10.7</td>
</tr>
<tr>
<td>2005</td>
<td>3.0</td>
<td>12.7</td>
</tr>
<tr>
<td>2009</td>
<td>3.0</td>
<td>12.5</td>
</tr>
<tr>
<td>FY 2017</td>
<td>2.5</td>
<td>11.6</td>
</tr>
</tbody>
</table>
- Require targeted monthly bill affordability programs
  - Coordinate with Low-Income Home Energy Assistance Program (LIHEAP)
  - Predictable and reliable funding stream paid into by all ratepayers
  - Based on customer income and ability to pay
    - Straight bill discount
    - Percentage of Income Payment Plan (PIPP)
    - Hybrid - Tiered discount based on income level
- Require robust and targeted EE programs
  - Coordinate with Weatherization Assistance Program (WAP)
  - Ensure adequate health and safety funding
  - Free of up-front payment requirement for qualified households
NUMBER OF LIEAP/LIHEAP INCOME ELIGIBLE AND HEATING AND/OR WINTER CRISIS ASSISTANCE RECIPIENT HOUSEHOLDS, FY 1981 TO FY 2017
SOLUTIONS WE ARE ADVOCATING

- Establish Policies Protecting Consumers
  - Utility Affordability Task Force
  - Customer Bill of Rights
  - Remove “blank check” bill trackers

- Expand Energy Efficiency Programs
  - Increase utility efficiency targets and expand programs benefitting customers

- Develop Rooftop and Community Solar Policies
  - Update laws and regulations that create barriers to solar

- Transition the Fossil-Fuel Fleet to Clean Energy
  - Accelerate the shift to solutions like renewable energy, energy efficiency, and battery storage.
OBLIGATIONS OF UTILITIES

- Comply with Regulatory Compact
  - Monopoly franchises in exchange for serving ALL customers
  - Policies that lead to disconnection for customers who cannot afford to pay are inconsistent with that regulatory bargain and commitment to serve

- Limit fixed charges

- Punitive charges for qualified customers must be eliminated
  - Deposits
  - Late-fees, interest
  - Reconnection fees
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Indiana is #3 in the US in near-term planned utility-scale solar

- Renewable energy is now more affordable than coal, fossil gas, and nuclear power.
- Renewable energy costs are fixed at the time they are built (no volatile fuel costs to worry about).
- Many Indiana utilities are planning to invest more in renewable energy.

Home Energy Assessment or “Audit”

- This is a FREE service provided by many electric utilities

- Professional energy advisor does a “walk through” of your home to identify efficiency opportunities to save you money

- On-the-spot FREE installation of some efficiency products, like LED lightbulbs

- You get a comprehensive report of recommended low-cost and no-cost energy saving solutions

Photo: Sarah Kobos
Focus your time and money on the BIG energy users in your home

- LED lightbulb: 10 watts
- Computer: 65 watts
- TV: 80 watts
- Clothes dryer: 2,000 watts
- Water heater: 3,000 watts
- Central heating / A/C: 3,500 watts

When it’s time to buy or replace a major appliance:

- Visit your utility’s website to see if you are eligible for a rebate
- Look for the ENERGY STAR label on appliances
The Inflation Reduction Act of 2022 created or expanded many tax credits for renewable energy, energy efficiency, and electric vehicle investments:

- 30% for residential solar, geothermal and battery storage
- $7,500 for new electric vehicles and $4,000 for used EVs
- 30% (up to $2,000) for a heat pump for space heating/cooling
- 30% (up to $1,200 per year) on home energy efficiency investments including up to:
  - $150 for a home energy audit
  - $600 for new energy-efficient exterior windows or skylights
  - $500 for exterior doors ($250 per door up to two)
  - $600 for efficient central A/C; electric panel upgrades; and water heaters, furnaces and water boilers that run on natural gas, propane or oil
- Additionally, $4.5 billion in funding over 10 years will be made available for state and tribal programs to make electrification and energy efficiency cheaper for low- and moderate-income households. More details coming in the future.

Note: This is not tax advice! Talk to a tax professional before making any investment decisions.
THANK YOU!

Stay informed and take action! Sign up for email action alerts at www.citact.org

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