A Digital Electric Grid: Low-Income Consumer Opportunities and Concerns

2018 CFA Consumer Assembly
Washington, D.C.

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Digital Grid: Low-Income Opportunities

• The clean energy imperative
  – Reduced carbon intensity of generation – climate change mitigation
  – 2-way power flows
  – Enhanced communication/information

• Consumer-Environmental Collaboration
  – Fixed Charge Defense Network
Digital Grid: Low-Income Concerns

- Allocation of first costs and the gap between realization of costs and benefits
  - Unequal home energy burdens
  - Home energy security
  - Household cash flow

Utility bill payment is the #1 reason for accessing high-interest, short term financing like payday loans.

Levy, et al., Center for Financial Services Innovation
<table>
<thead>
<tr>
<th>Frequency of reducing or forgoing basic necessities due to home energy bill</th>
<th>&lt; $20,000</th>
<th>$20,000 - $39,999</th>
<th>$40,000 - $59,999</th>
<th>$60,000 - $79,999</th>
<th>$80,000 - $99,999</th>
<th>$100,000 - $119,999</th>
<th>$120,000 - $139,999</th>
<th>$140,000+</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Never</td>
<td>60.4%</td>
<td>71.0%</td>
<td>76.9%</td>
<td>84.9%</td>
<td>91.6%</td>
<td>93.6%</td>
<td>93.1%</td>
<td>97.6%</td>
<td>78.5%</td>
</tr>
<tr>
<td>Almost Every</td>
<td>15.7%</td>
<td>8.1%</td>
<td>4.6%</td>
<td>3.5%</td>
<td>1.3%</td>
<td>.7%</td>
<td>1.1%</td>
<td>.9%</td>
<td>6.3%</td>
</tr>
<tr>
<td>Some Months</td>
<td>14.7%</td>
<td>13.3%</td>
<td>11.8%</td>
<td>6.6%</td>
<td>3.1%</td>
<td>3.1%</td>
<td>3.1%</td>
<td>1.0%</td>
<td>9.3%</td>
</tr>
<tr>
<td>1 or 2 Months</td>
<td>9.2%</td>
<td>7.7%</td>
<td>6.7%</td>
<td>5.0%</td>
<td>4.0%</td>
<td>2.6%</td>
<td>2.7%</td>
<td>.5%</td>
<td>5.9%</td>
</tr>
</tbody>
</table>

U.S. Energy Information Administration, 2015 Residential Energy Consumption Survey
Digital Grid: Low-Income Concerns

• Advanced metering
  – System costs
  – Remote disconnection of service
    • Prepaid service and low-income consumers
  – Penalties from time-varying rates

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Advanced metering – A ‘Just Transition’ for Low-Income

• System costs
  – Effective Low-income affordability programs
    • Bill payment assistance
    • Energy efficiency

• Remote disconnection of service
  – Consumer protection enhancement to outpace new tech deployment
  – Prepaid service and low-income consumers
Advanced metering – A ‘Just Transition’ for Low-Income

- Penalties from time-varying rates
  - Hold harmless
  - Opt-in
  - Shadow billing

- Planning and regulatory process