



Just Energy Policies Campaign

GUIDANCE DOCUMENT:

Engaging With Public Utilities/Public Service Commissions



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Engaging With Public Utility/Service Commissions to Advance an Equitable Energy Infrastructure

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Why Are Public Utilities/Service Commissions Important to the NAACP as a Civil Rights Organization?

OVERVIEW

Public Utilities Commissions/Public Service Commissions (PUCs/PSCs) hold power over key decisions related to the energy resources that power our homes and businesses (and often pollute our air and water). These decisions include how much we pay in electricity bills, what our energy sources are, and whether new energy production facilities are approved. For example, a proposal to build or update a power plant, to invest in solar or energy efficiency, or to change customer rates generally comes before the PUCs/PSCs.

PUCs/PSCs are usually anywhere from 3 to 10 commissioners who are either elected or appointed. Many are retired or former utility company employees. Demographics wise, the majority of the commissioners are White American, male, and mid to high wealth individuals. In MS, which is 48% African American, there has never been an A.A. Commissioner in the 80+ year history of the PUC. In Georgia, there has only been one A.A. commissioner in the 107 year history. This is significant, given the disproportionate location of energy production facilities in low income, communities of color, and the utility rates that they regulate have a disparate impact on women, communities of color and low income communities.

Though there is variation from state to state, the overarching responsibilities of the PUCs/PSCs typically include: Setting just and reasonable utility rates and ensuring that utilities provide adequate and reliable service to customers; authorizing and overseeing investments in energy resources such as power plants, ; reviewing and approving utility resource plans; Regulating private, investor-owned natural gas, electric, telephone, water and private sewer companies and; Approving new developments/facilities.

IMPLICATIONS

As it stands, the combination of the demographic profile of commissioners , the ongoing rampant voter disenfranchisement, along with gerrymandering by facility owners with relationships to PUCs/PSCs, means that the people who are most impacted by polluting industries and practices have the least influence over who is making decisions and what decisions are made regarding these polluting industries and practices.

Who is most affected by how our energy is regulated and how?

- a. Low-income communities across the board pay a high proportion of their incomes on energy.
- b. Elderly pay highest proportion of their often fixed incomes on energy than any other age group.
- c. African Americans pay highest proportion of their incomes on energy than any other racial group
- d. Low income communities are more likely to have water shut-offs and electricity shut offs thereby depriving them of essential services and too often resulting in dangerous circumstances through alternative heating efforts, for example.
- e. An estimated 68% of African Americans live within 30 miles of a coal fired power plant.
- f. Many indigenous communities, for example, in Arizona and New Mexico, are situated adjacent to polluting coal plants, oil refineries, etc., but are also most likely not to have electricity.
- g. Women are vulnerable to toxins that affect reproductive systems, are typically the caretakers for people who are ill are impacted and also women are disproportionately of lower income.

Therefore, the role of the NAACP leadership in engaging with and influencing the PUCs/PSCs in each state is a critical aspect of upholding civil and human rights as it relates to advocating for justice in regulating our nation's energy infrastructure.

Practical Example of PUC/PSC Role and Opportunities for Ratepayer Engagement: When a utility applies to the PUC/PSC for a rate change, the PUC/PSC alerts ratepayers through legal notices to local newspapers and press releases. Major rate cases usually receive widespread media coverage and the Commission often holds public hearings across the utility's service territory so that it can hear from customers and other affected stakeholders. Interested parties can formally participate in the ratemaking process by intervening and becoming parties to the case. Interveners normally represent groups of utility customers and, in order to effectively participate, they are usually represented by legal counsel and expert witnesses, who present their points of view. Formal hearings held by the PUC/PSC in rate cases – where the Commission hears the evidence presented by the utility and other parties – are often technical and legal in nature. However, this should not act as a barrier to community participation because the results of the deliberations often have significant impacts on ratepayers, with little ratepayer input. Individual consumers are typically able to provide public comments either at the formal hearing or at the public field hearings scheduled by the PUC/PSC specifically to gather public input on the utility's rate change proposal.

TAKING ACTION:

Below are some general recommendations. If you are interested in taking action as a State Conference, The Environmental and Climate Justice Program can work with you to develop an individual action plan based on the customized circumstances of your state.

1. Distribute your state Just Energy Policies report to each member/commissioner of the PUC/PSC.
2. Organize a meeting with the PUC/PSC to brief and educate them on the equity implications of the state energy agenda, as per the findings and recommendations of your state Just Energy Policies Report.
3. Attend PUC/PSC regular meetings. Through participating, you will learn what key issues are under consideration, decide what is relevant to the NAACP priorities, provide input during public comment section of the agenda, and determine other ways the NAACP can influence decision making.
4. Identify key PUC/PSC decisions and link JEP report findings and recommendations, to advocacy for justice and equity based decision making. Examples of issues/policies/regulations the PUC/PSC may be considering that are relevant to the NAACP agenda:
 - a. Integrated Resource Plan (strategic plan for meeting each state's energy needs reliably, safely, and affordably)
 - b. Investments in energy efficiency
 - c. Approval to build power plants
 - d. Fixed fee for people engaged in net metering
 - e. Rate cases—considering petitions from utility to adjust rates
 - f. Investments in renewable energy
 - g. Rulemaking (ex. emissions reduction, community solar, net metering, etc.)
5. Methods for the public to provide input/influencing issues under consideration:
 - a. Submit written comments.
 - b. Provide oral comments at public field hearings or during formal hearings.
 - c. Apply for official intervention in a case, most often through legal representation.
 - d. Participate in Commission workshops or rulemaking proceedings.
 - e. Organize ratepayers and ask the PUC/PSC to open a docket:
 - i. Contest/appeal disconnection of services for a group of ratepayers based on equity considerations.
 - ii. Initiate investigatory or rulemaking proceeding on an equity issue.
6. Integrate the office of the Public Service/Public Utilities Commission into your civic engagement efforts in terms of considering candidates, educating candidates, making sure voters understand the stakes in choosing representatives for this office, and holding those who are elected accountable.

Illustrative Examples of Decision-Making By Public Utilities Commissions/Public Service Commissions in Key Cases

- I. **Kentucky** – In 2011, the Kentucky Power Company, an investor-owned utility, requested the Public Service Commission approval to upgrade an aging coal plant with pollution controls at a cost of nearly \$1 billion. After facing opposition from environmental advocates, industrial interests and the state attorney general in the proceeding, KPC withdrew its request the day before the Commission was set to issue a decision. The proposal would have resulted in a rate hike of more than 30% in one of the most impoverished parts of Kentucky and would have allowed the utility to continue to run an aging coal-fired power plant. **Therefore, by denying KPC's request, the PSC withheld permission to pollute, which would have resulted in continued contamination of communities with mercury, arsenic, lead, sulfur dioxide, nitrogen oxide, and more.**
http://www.kentucky.com/2012/05/30/2206351_kentucky-power-abandons-plan-to.html?rh=1
- II. **Hawaii**—In 2011, investor owned utility companies in Hawaii submitted a proposal that would have allowed the utilities to impose expensive remote monitoring and control equipment—known as “SCADA,” for “supervisory control and data acquisition”—on systems as small as 20 kilowatts (kW) or less. This raised concerns because it would have given the utilities the ability to turn off even residential photovoltaic (PV) systems at their sole discretion. Solar advocates opposed the proposal because it would deter the installation of such systems, especially since more cost-effective options for tracking solar output are available. The PUC ruled that the utilities did not show that their proposal was “just and reasonable,” citing the costs of SCADA equipment and the lack of support and guidelines for imposing the equipment on systems smaller than 250 kW. Instead, the PUC agreed with the renewable energy organizations that the equipment shall not be required for systems smaller than 250 kW. **Greater flexibility in allowing for residential photovoltaic systems advances consumer ownership and energy democracy.** At the same time, the PUC also rejected a proposal to grant the utilities authority to deny the interconnection of renewable systems for various vague reasons, including “unreasonable costs to ratepayers.” . The PUC indicated that such barriers are inappropriate while reliability standards for the Hawai'i grids are still being developed in a separate ongoing proceeding. The PUC also clarified that “unreasonable cost” is a rate issue that should be decided by the PUC rather than a technical issue that interconnection rules are intended to address. **Interconnection allows sharing of renewable energy resources which promotes clean energy access for low income communities and reduces our reliance on dirty energy.** <http://earthjustice.org/news/press/2011/solar-industry-cheers-puc-ruling>
- III. **Georgia**—In 2013, the Georgia Public Service Commission ordered the state's largest electric utility, Georgia Power Company, to increase its solar power capacity by 525 megawatts by the end of 2016, as part of GA Power's Integrated Resource Plan (IRP). Up to the end Georgia Power insisted that it would not increase its solar output beyond the 270 MW promised in the draft IRP. **Increasing solar based energy generation reduces the amount of coal, gas, and nuclear based energy production, which helps the environment and preserves the health and wellbeing of communities.** http://www.pv-magazine.com/news/details/beitrag/georgia-power-forced-to-adopt-525-mw-more-solar_100012043/#ixzz3Ktr13hX9
- IV. **Mississippi**—In 2013, the Mississippi Public Service Commission issued energy efficiency rules that lay out a framework requiring investor-owned utilities to implement “Quick Start” energy efficiency program programs. Under these rules, electric and natural gas utility companies must offer customers several pathways to increase energy efficiency, including: Energy audits; Home weatherization programs; Appliance and lighting rebate programs, and; Financing for construction companies to make new homes and commercial buildings more energy efficient. **According to the PSC, the rules could potentially save the state's consumers \$2.3 billion by 2034 and create 9,500 jobs by 2030, all of this in a state which ranks in the top 10 of states where residential ratepayers dedicate the highest proportion of their incomes to paying electricity bills.**
<http://energy.gov/eere/articles/mississippi-adopts-new-rules-save-energy-money-0>