

New Report Tackles Energy System Inequities, Opportunities During the Clean Energy Transition

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Despite using the least energy, households with the least means are shouldering the greatest energy burdens

WASHINGTON — A new report, “Reversing Energy Systems Inequity: Urgency and Opportunity During the Clean Energy Transition,” examines fundamental inequities of our current energy landscape, which can lead to dangerous repercussions, and the unprecedented opportunities arising to address the issue while our nation undergoes sweeping changes to its power sector.

“Low-income families are making difficult survival decisions as high energy burdens weigh heaviest on those with the least,” **said John Howat, senior policy analyst at the National Consumer Law Center.** “A transition to clean energy systems must be seen as an opportunity for utility commissions to bring much-needed equity to an energy system that disadvantages low-income consumers.”

Through a series of visuals, broken down by region, the report illustrates that while it’s widely recognized that access to electric service is vital to health and safety, affordable access is not an equal opportunity proposition. Despite using less energy, low-income households use the largest amount of their income to meet their family’s needs, and they are often forced to make difficult survival decisions to do so.

Roughly 30 percent of households with incomes below \$40,000 forego or cut back on other basic necessities—such as food, clothing or medicines—in order to pay energy bills and maintain service. As many as 40 percent of households with incomes below \$20,000 suffered the same consequences of high energy burdens.

The brief report looks at three keys to succeed in creating opportunities to improve equity for lower-income households amidst technological advancements and a public appetite for a clean energy transition. While the list is not exhaustive, the points highlighted are foundational for getting decisions right for residential customers with the least means.

- **DATA:** Collection and distribution of comprehensive residential customer data, broken out for low- and moderate-income and vulnerable ratepayers.
- **PROCESS:** An inclusive regulatory process that formally links identification of equity impacts with consideration and adoption of measures to address them.
- **EDUCATION:** Broad familiarity with the full range of programs and best practice protections

to address economic inequities for low-income consumers.

The report features a story reported by the Washington Post and local media in Newark, New Jersey of 68-year-old Linda Daniels, who died of heart failure after the local power company disconnected electricity to her home because of an alleged overdue bill—a potent reminder that electricity must be there when needed, for everyone.

“With the imperative to curb climate pollution everywhere we can, as quickly as we can, this time of transition should be viewed as the time to achieve another imperative simultaneously—building a more equitable energy landscape in America, hand in hand with a cleaner one,” **the report said.**

The report is co-authored by John Howat, senior policy analyst at the National Consumer Law Center; John T. Colgan, senior consultant at Colgan Consulting; Wendy Gerlitz, policy director at NW Energy Coalition; Melanie Santiago-Mosier, senior director of the Access & Equity Program at Vote Solar; Karl R. Rábago, executive director at Pace Energy and Climate Center

A PDF of the report is available for download on NCLC’s website and more information on energy inequities and programs to assist low-income consumers can be found on NCLC’s Energy, Utilities, and Telecommunications page.