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Putting Community In Community Solar

A perspective from the grassroots

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Soulardarity

About Soulardarity

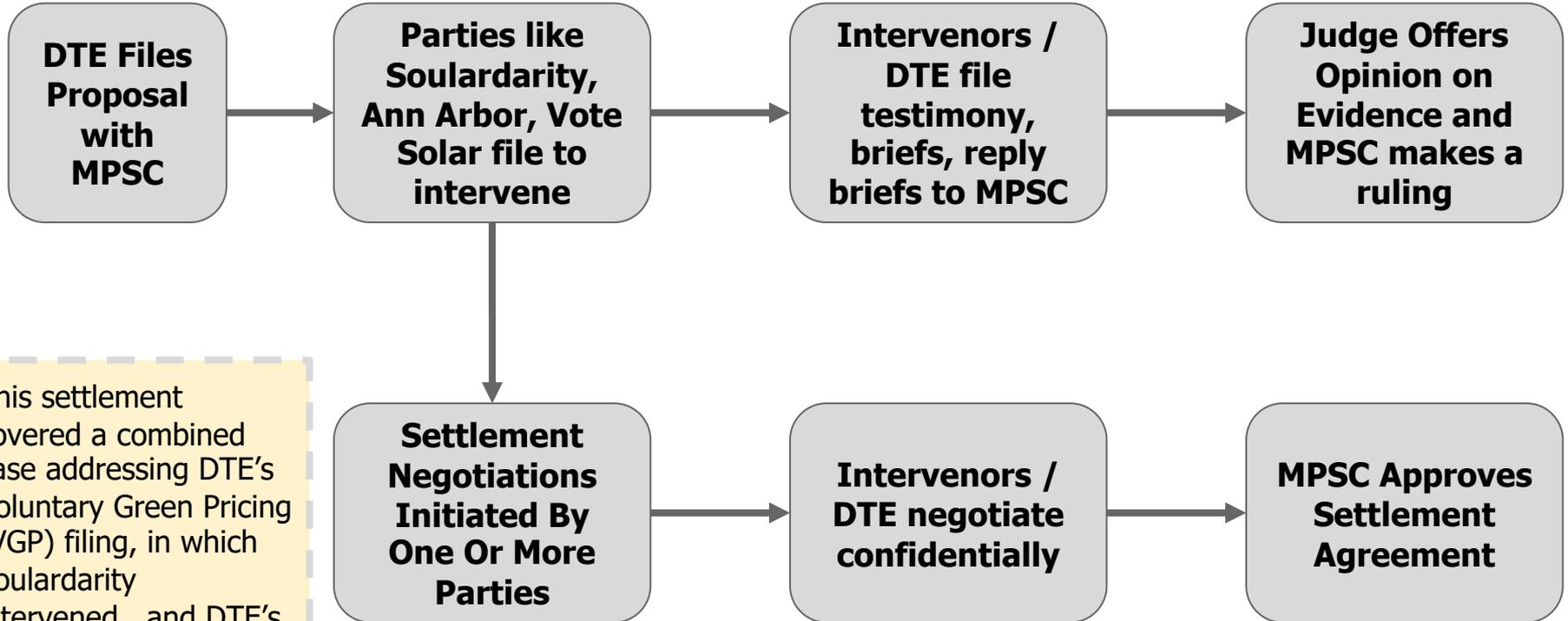
Soulardarity works to build energy democracy in Highland Park, MI and neighboring communities through education, organizing, and community-owned clean energy.

- Membership organization of about 200 members
- Majority governed by Highland Park residents
- Formed in response to 2011 repossession of streetlights
- Adopted mission of energy democracy in 2015, frames the struggle of BIPOC and working class communities for a just energy system

Energy Democracy

An energy system where those impacted by energy decisions have a say in making them.

The Contested Case Process



This settlement covered a combined case addressing DTE's Voluntary Green Pricing (VGP) filing, in which Souldardarity intervened, and DTE's Renewable Energy Plan (RFP) filing.

Procedural Injustice

It is expensive, time-consuming, and technically challenging to engage in energy decision making

Soulardarity has been at the MI Public Service Commission for 5 Years:

- **2 Rate Increase Cases**
- **2 Clean Energy Plans**
- **1 Energy Waste Reduction Case**
- **1 Integrated Resource Plan**
- **Working Groups & Stakeholder Sessions**

We are the only consistent intervenor with explicit bottom line goals of racial and economic equity.

Why do we advocate for community ownership of solar?

There are fiscal and structural advantages in some cases.

But more importantly: **ownership is stakeholderism.**

- Ownership puts decision-making in the hands of communities.
- Ownership gives communities a stake in regulatory decision-making.
- Ownership is leverage to build wealth
- And for investor-owned monopolies, **ownership is profitability**

If the shareholders of utility companies are always the prime movers in regulatory spheres, their interests will always be addressed first.

Michigan Has Few Options For Community Ownership Or Negotiation For Community Benefits

- 90% Regulated State (Generation Is Monopolized)
- Distributed Generation is capped at 1% of load
- No enabling legislation for community solar or virtual net metering
- No legislation for Community Choice Aggregation
- Municipalization is technically possible, but fiscally prohibitive
- Foote Act removes ability of municipalities to negotiate franchise agreements

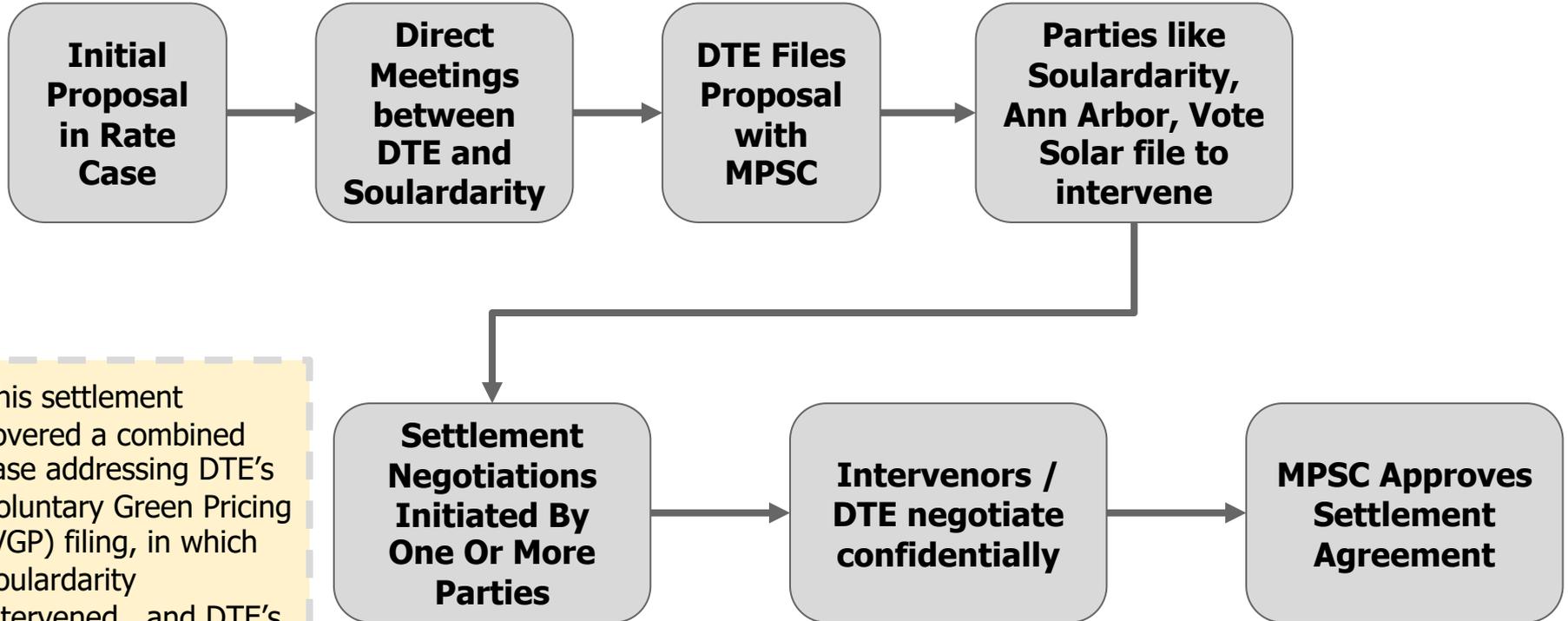
Collaboration or Negotiation?

We viewed the process of achieving this settlement as negotiation with an organization (DTE Energy) generally opposed to our goals who came to the table with much more power than we did.

Key points of information:

- Proposal in prior rate case for poverty taxing measures of increased flat fees and bounced check fees
- Refusal to integrate disproportionate impact across lines of race and class into decision-making
- Funding front group entitled Michigan's Energy Promise, comprised of DTE Foundation grantees, opposing all non-utility owned solar (at triple the dollar value of the entire program agreed to in settlement)

The Negotiation Process



This settlement covered a combined case addressing DTE's Voluntary Green Pricing (VGP) filing, in which Soulardarity intervened, and DTE's Renewable Energy Plan (RFP) filing.

Our Proposal: A Low-Income Community Solar Program

- Framework for development and approval of Low-Income CS Projects
- Overseen by a board of majority low-income ratepayers (who would be compensated for their time) and technical support
- Allowed all ownership formats to be proposed pending approval of the board
- Utilized Distributed Generation rates to give low-income people equitable compensation to other solar users
- Capped program size as equal to current DG program size, creating parity for low-income communities in solar deployment

We see this as taking the best elements from the ideas of DTE, MPSC Staff, and community advocates.

What came out?

Low-Income Solar Program

DTE will build three solar projects of at least 250 KW each in Highland Park, Detroit, and River Rouge over the next three years. The order of projects is not defined yet.

- Health impact reduction
- Financial Benefits to low-income ratepayers
- Low-income ratepayer council
- DTE shareholder commitment of \$300K per project up to 1/3 of the cost

Low-Income Ratepayer Council Structure

- DTE Representative
- Non-Profit Representative (Vote Solar)
- Subject Matter Expert
- 3 Low-Income Ratepayers
 - Detroit
 - Highland Park
 - River Rouge

Soulardarity Did Not Sign The Settlement

Though pleased with some of the progress, there were outstanding issues that cannot wait three years to be addressed

- We need real low-income community solar - and we need it now.
- Low income people, and especially those impacted by environmental injustice, must gain equitable access to benefits of clean energy
- Foundations and Government should invest in community ownership first and foremost.
- DTE needs to get out of the way of community ownership.

What do we do next?

- **Advocate for Community Owned Projects Now**

- The program from settlement cannot assess the relative benefits of other ownership models
- We need to build community owned models now to have points of comparison

- **Prepare for Rate Case Intervention**

- DTE requested ex parte approval of a pre-pay program that appears to avoid consumer protections from shutoff, which we have objected to being approved ex parte
- We hope not to see the same kinds of poverty-taxing rate mechanisms and race/class blind decision making that's come from DTE in the past, but those hopes are not high

- **Advance Equity In All Energy Planning**

- Commissions and Utilities need to use equity screens on all decisions, in all departments, or they get washed out
- Impacted people need the means and stakeholderhood to advocate for themselves

Recommendations

Regulators and State Officials

Actively work to increase the power and position of low-income and BIPOC ratepayers in regulatory negotiations

- Tie input to binding effects on outcomes
- Provide financial and technical resources
- Create requirements for equity screens

Utilities

Share decision-making power with your most impacted ratepayers

- Create positions of oversight and authority
- Compensate community expertise
- Adopt screens for disproportionate impact of rate and program structures

Both: enable community ownership of energy to build stakeholderhood in energy decision-making.

Summary of Key Points

- True collaboration requires that parties have equal power in negotiations
- Power is extremely unbalanced between utility shareholders and low-income and frontlines ratepayers
- Proposals from DTE and decisions by MPSC reflect that power imbalance
- Community ownership is a critical mechanism for creating equity, delivering material benefits, and increasing stakeholder participation in energy decision-making
- The creation of pathways to community ownership - whether communities decide to take them or not - changes the terms on which communities and utilities can negotiate.

If utility ownership is indeed best for communities, that's what they will choose. If it isn't, they will choose something else. It is the presence of the choice that changes the dynamic.

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