

How can

Energy Democracy

*benefit my
community?*

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What does
a world
with Energy
Democracy
look like?

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What is
holding us
back?

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How do
we get closer
to Energy
Democracy?

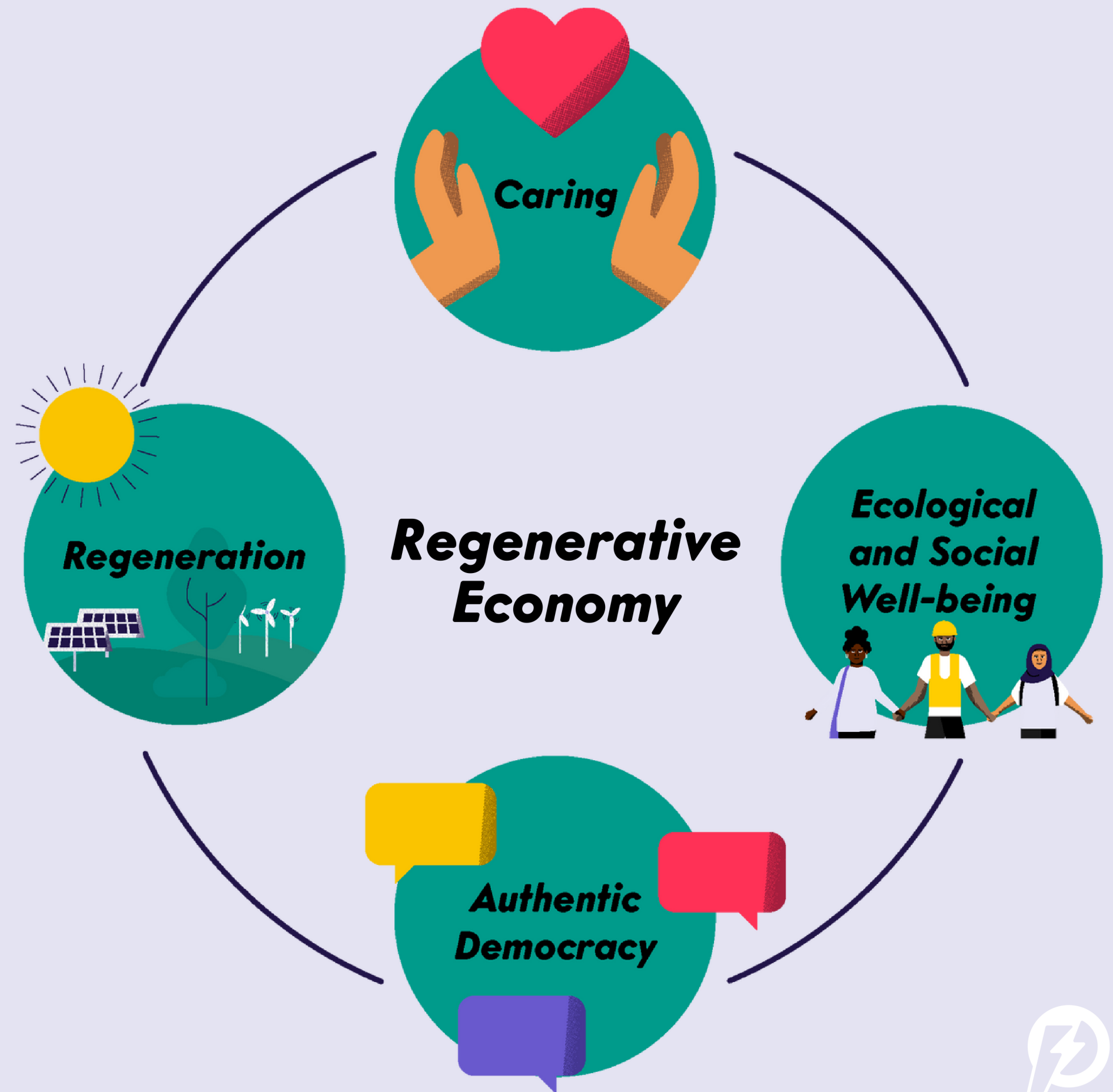


*What does a world
with **Energy Democracy**
look like?*



An economy for the many

Taking back control of electricity services moves us closer to an economy that centers the well-being of working people, our communities, and the planet.



Electricity is vital

Electricity powers our homes, grocery stores, hospitals, schools, businesses, senior centers, and transportation.

It's central to our lives. We should always have access to it.



A vibrant, stylized illustration of a sustainable city. In the foreground, a worker in a yellow hard hat and safety vest carries a solar panel. A blue bus is parked on a street. In the background, there are yellow buildings with solar panels on their roofs, a red building with a clock tower, and green hills with wind turbines. The sky is light blue with a yellow sun and white clouds.

Local renewable power

By generating electricity closer to home, we can...

- have affordable electricity rates
- invest in the development of local businesses and high-quality jobs
- create a healthy living environment

***How do
we get
there?***

Energy Democracy

A socially just, renewable energy system owned and governed by communities and working people in service to the well-being of our communities and planet.

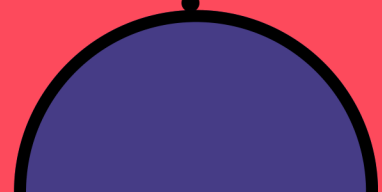
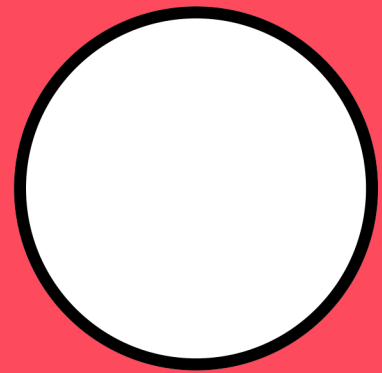
What is holding us back?

- Understanding the electricity system
- How do private utilities hold us back?
- Sacrificing people & planet for profit
- Why can utilities get away with all this?



What is holding us back:

*Understanding
the electricity
system*

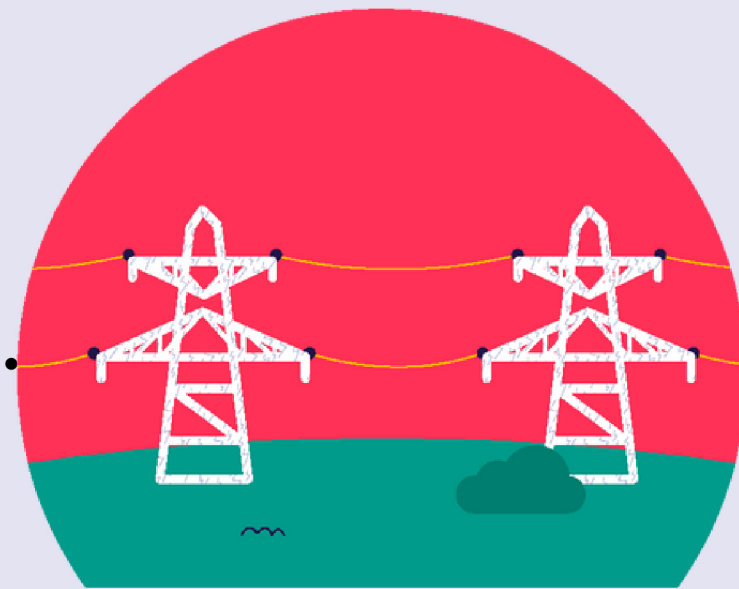


How does electricity get to my home?



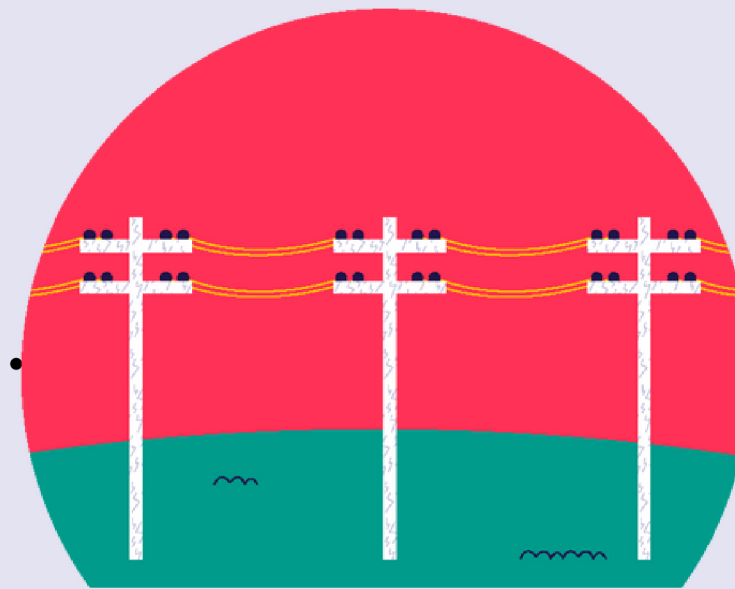
Generation

Power plants produce electricity through fossil fuels or renewable energy



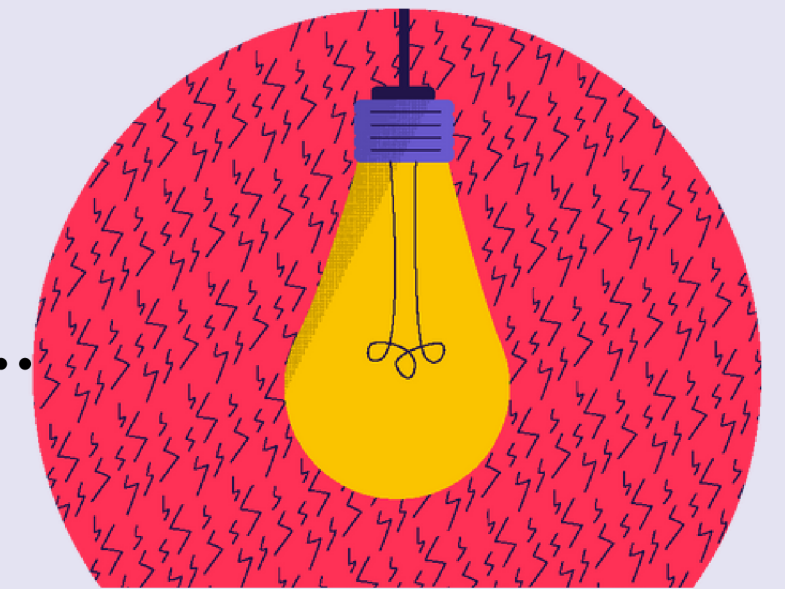
Transmission

Electricity is converted to a high voltage so it can be transmitted far distances



Delivery

Electricity is sent from where it's generated to where it's used



Use

We use electricity in our homes, businesses, and throughout our community

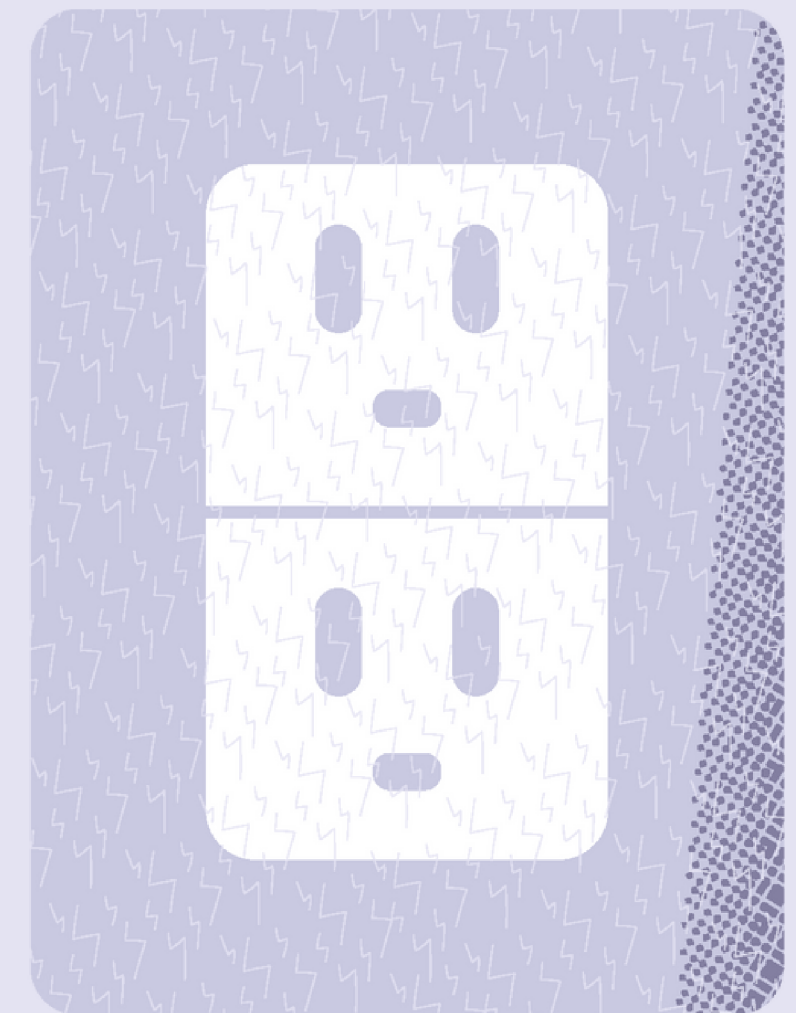


Electric Utilities: What are they?

Electric utility corporations are the ones you pay for your electricity use.

They get electricity to your doorstep.

Some generate their own electricity, while others purchase it from suppliers.



Electric Utilities: What are they?

<i>Type of Utility</i>	<i>Governance Model</i>	<i>Financial Goal</i>
Private	Owned by stakeholders and managed by a private board	Make as much profit as possible for shareholders
Public	Owned by local gov't and/or local community customers of the utility	Cover operating costs to provide community members with safe, reliable, not-for-profit electricity at a reasonable price



1900s

The rise of private utilities and their profit model:



To finance rapid expansion, electric utility corporations turned to wealthy investors by offering stock in emerging utility corporations.



They promised investors profit by making customers pay off these investments in the form of electricity rates.



Providing electricity to customers became a way to create profits for utilities and their investors.



Private utilities mostly provided electricity in large cities, with lots of customers, where they could make the most money.



1920s

The growth of public utilities:



With private utilities only located in large cities, communities in more rural areas were largely left out. Public utilities cropped up to provide electricity to people living there.



To reach remote, rural areas, the federal government stepped in and provided loans for the installation of electrical distribution systems to serve rural areas. This led to the development of electric co-ops, a more locally-based public utility.



1930s

Private utilities as natural monopolies + gov. protection:



Meanwhile, in cities, competition for customers between utilities rose and created dangerous situations for residents, and also just didn't make sense given the size and scale of electric utility operations.



The idea of electric utilities as "natural monopolies" emerged.



Private electric utilities receive monopoly access to customers in a specific geographic area in exchange for more government oversight.



This codified the protections that electric utilities receive from state and federal governments.



Regulators: PUC/PSC

There are multiple entities that regulate utilities, and some of the most important are State Public Utilities or Public Service Commissions (PUC/PSC).

- PUCs operate at the state level and regulate all types of utilities including electric, gas, telecommunications, water, and wastewater utilities.
- PUCs make critical decisions related to our power bills and how utilities will generate or acquire electricity to serve customers.
- They determine how much money the utility is allowed to make and how much customers will pay for it.
- They also set targets for energy efficiency and the mix of renewable energy and fossil fuel generation that utilities use.



What is holding us back:

*How do private
utilities hold us
back?*



Private utilities are driven by corporate greed

As profit-driven monopolies, private utilities have an incentive to prioritize shareholder needs over the public good.



How private utilities make money

Electricity Usage Breakdown for 30 days

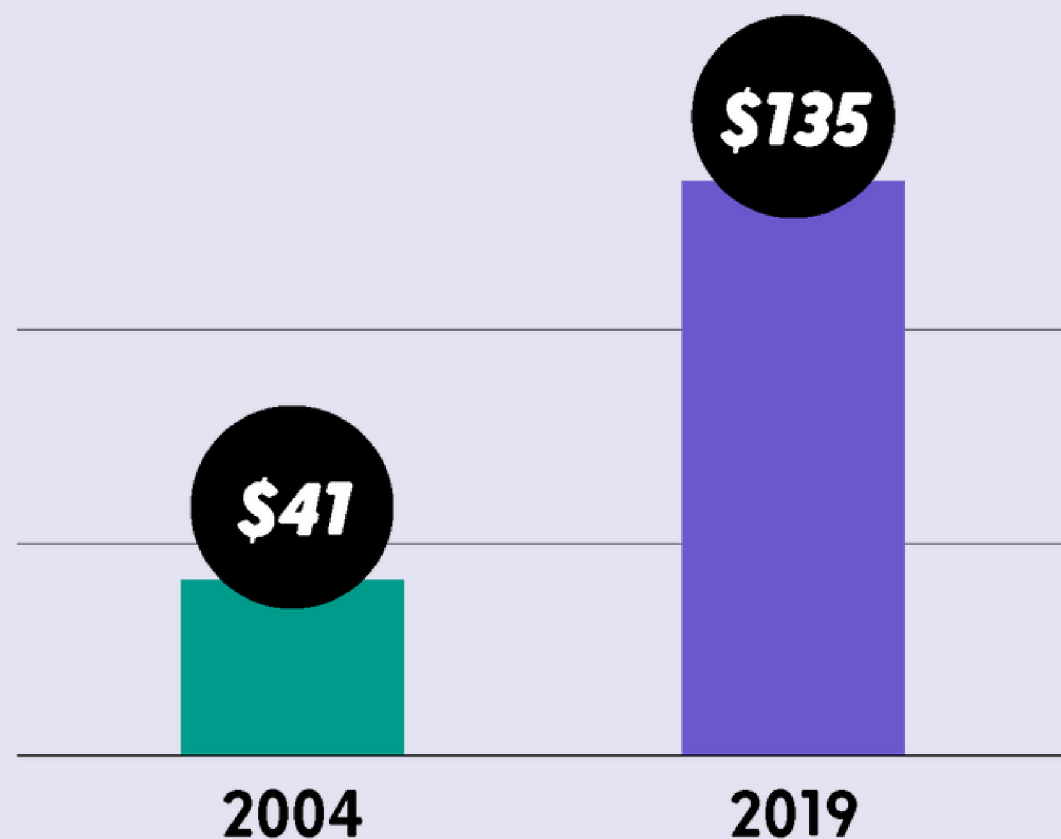
GENERATION	\$25.00
DELIVERY	\$67.50
CAPITAL INVESTMENTS	\$10.00
TAXES	\$8.00
COST OWED	\$110.50

- Because electric utilities are regulated monopolies, regulators do not allow utilities to make a profit on electricity sales.
- Instead, they can charge customers to recover the cost of electricity, but cannot charge anything extra beyond what they spent.
- However, regulators allow utilities to make profit from capital investments.
- Utilities bill customers for the cost of building infrastructure like power plants and electricity lines, and tack on a profit margin.



Utilities are guaranteed profits, customers pay the price

Capital Expenditures Explosion
(In Billions Over 15 Years)



This system encourages utilities to build big (sometimes unnecessary) projects to increase their profits — which means higher rates for us.

- Private utilities are guaranteed a profit on capital spending even if customers don't actually benefit from that spending.
- For example, South Carolina electricity customers paid for nuclear plants that were never constructed!

Blocking an energy transition for profits

Private utilities oppose energy efficiency and renewable energy measures because it reduces their profits:

- Utilities make profits over the lifespan of infrastructure projects, so if they retire a coal plant in favor of cheaper renewable energy, they lose money.
- When we use less energy or are more energy efficient, utilities can't justify building as much infrastructure.
- Renewable power like solar panels are often located near where the electricity is needed, so less distribution infrastructure is needed.
- For example, in Ohio, utilities have frequently attacked rooftop and utility-scale solar expansion.



What is holding us back:

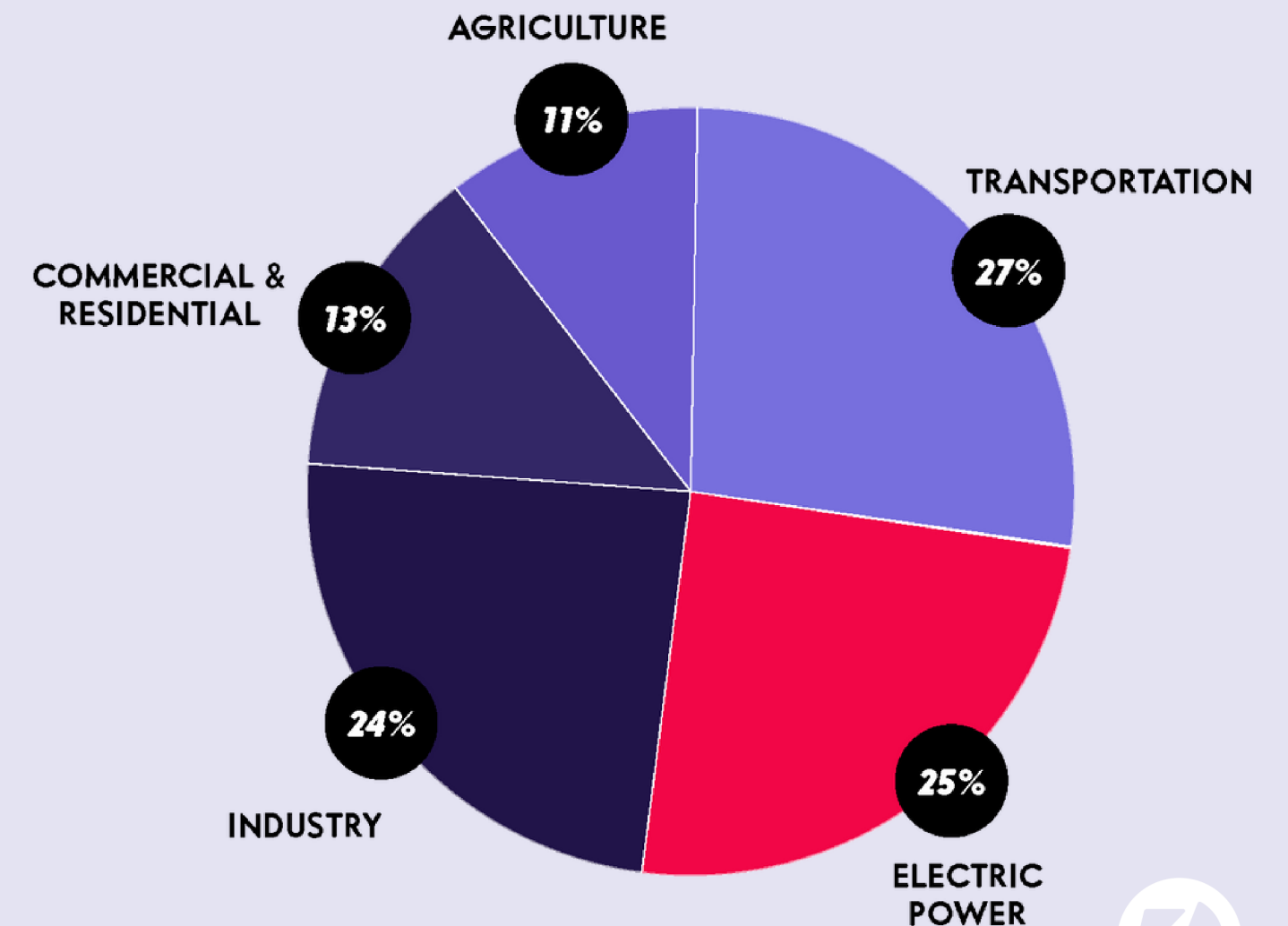
*Sacrificing
people & planet
for profit*



Fueling climate change

Private electric utilities are some of the largest contributors to climate change because of their dependence on fossil fuels to create electricity.

*Total U.S. Greenhouse Gas Emissions
by Economic Sector in 2020*



- The burning of fossil fuels emits greenhouse gases, which warms our planet and causes the climate to destabilize.
- Black, Indigenous, Latinx, and immigrant communities are first-and worst-hit by climate change events such as hurricanes, floods, and wildfires.
- Due to systemic inequities, these same communities have the hardest time protecting themselves and recovering from climate disasters.

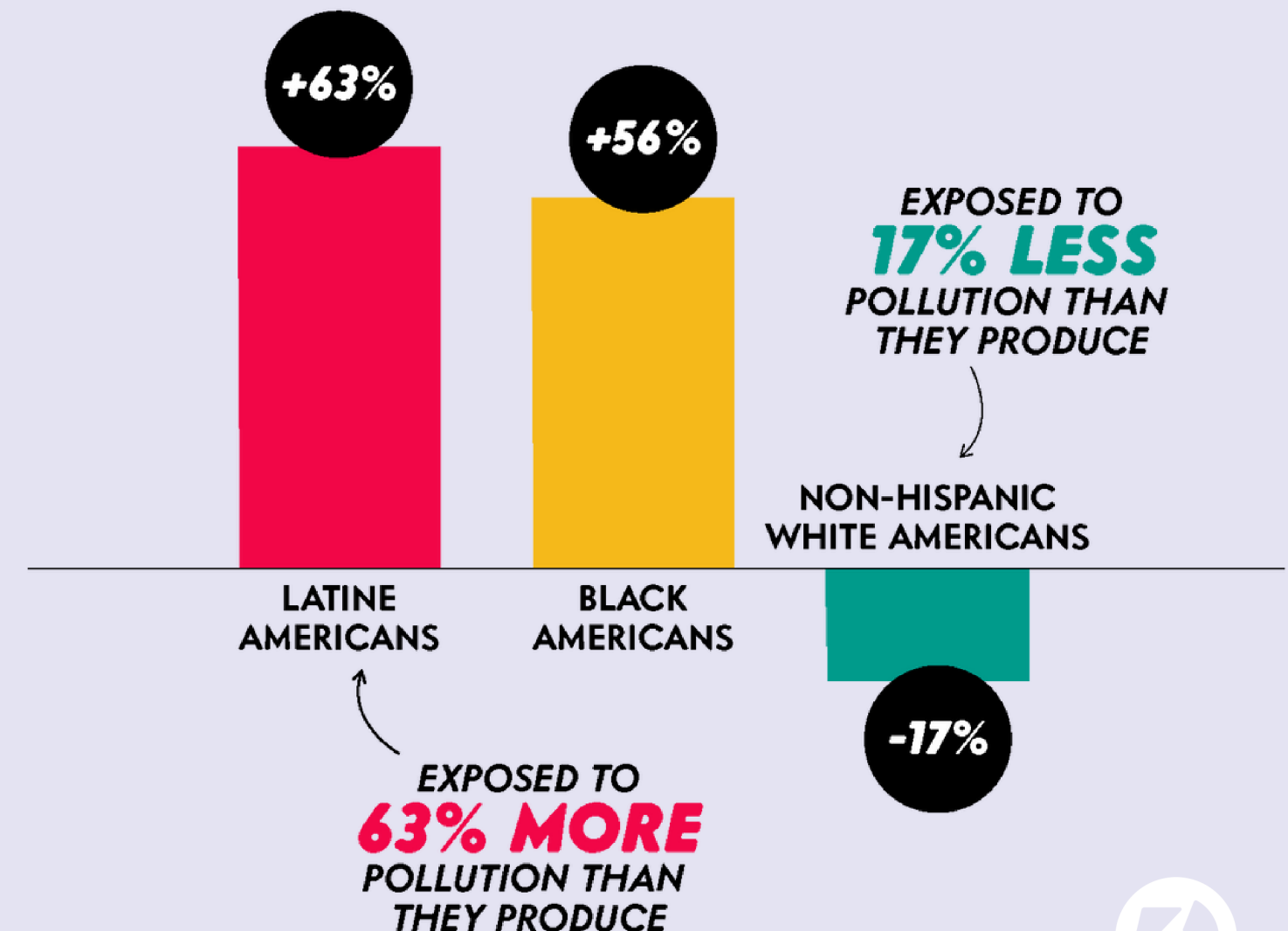


Poisoning our communities & planet

Private utilities build fossil fuel infrastructure closest to low-income and communities of color.

- BIPOC communities are disproportionately exposed to toxic and hazardous emissions, causing high rates of asthma in children, cancer, and respiratory illnesses
- Private utilities also use cost-saving, dangerous waste management practices which endanger communities of color and the local ecosystem.
- For instance, for decades utilities have disposed of coal ash by dumping it in unlined ponds and landfills where the toxins leak into groundwater.

*Pollution Exposure By Population
(2003-2015)*



Denying communities access to **basic needs**

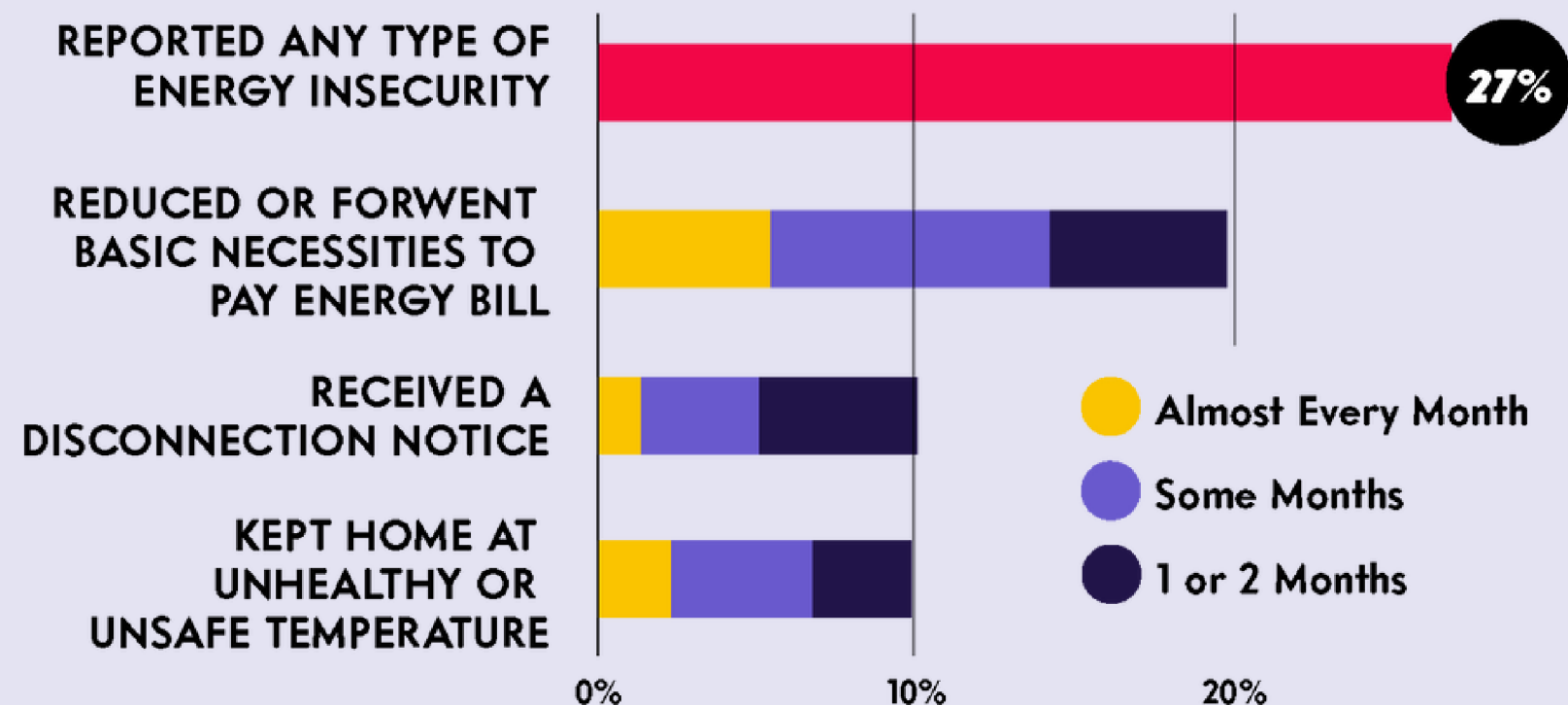
Private utilities directly harm community members through the combination of:

- Raising rates and passing down costs to customers
- Blocking a transition to renewable energy electric generation
- Not investing in energy efficiency measures
- The increasing amount of energy needed to cool and warm our homes because of climate change fueled by utilities



Over 25% of customers struggle to pay their electric bills

Percentage of U.S. Household Energy Insecurity Measures in 2020



- To pay electricity bills, households forgo food and medicine.
- They leave their home at an unhealthy temperature to save on electricity costs.
- High utility bills are a major factor in the housing affordability crisis.
- Black households are three times more likely to be disconnected from their service provider than white households; Hispanic households are four times more likely.

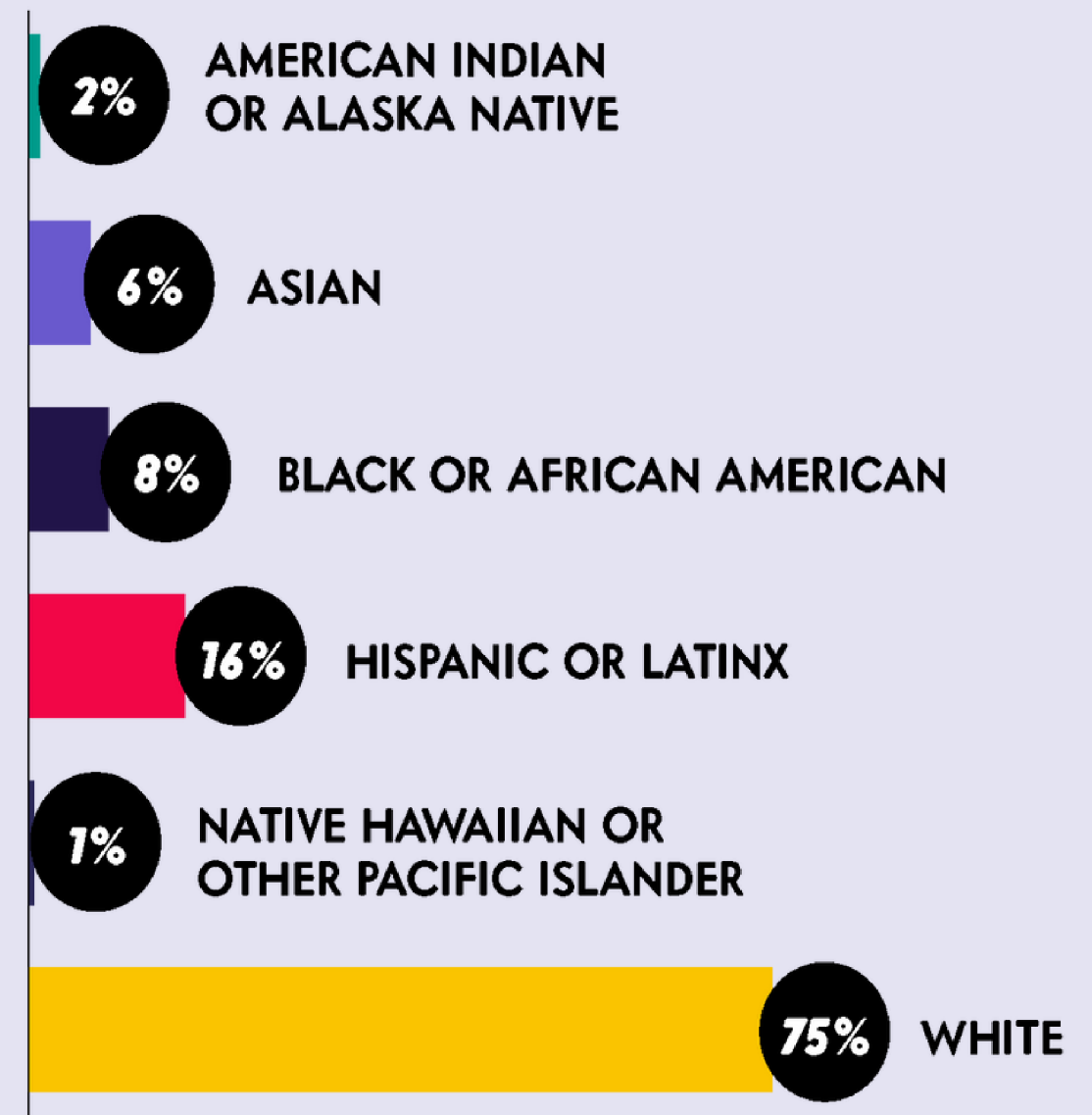


Utilities do not have a diverse workforce

The electricity industry ranks far below the national average in the employment of women, African Americans, Asian Americans, and Latinos.

- The lack of diversity in the industry extends to the executive level. In 2015, only 5% of the boards of utilities in the United States included women.
- White men are more likely to be in leadership positions.
- White energy workers receive higher wages and more comprehensive benefits like healthcare and retirement.

Energy Workforce by Race and Ethnicity





What is holding us back:

***Why can utilities
get away with all
this?***



Buying political power

Private utilities spend a significant amount on lobbying to win industry friendly-legislation and policies.

- They also donate to politicians and commissioners involved in decision-making processes.
- For instance, in Connecticut, energy utilities spent over \$24 million on lobbying Connecticut lawmakers over eight years to kill climate bills.



Backdoor power

Although there are many regulatory bodies that are supposed to govern private electric utilities, in reality utilities effectively govern themselves.

- There is a "revolving door" between industry and government at the state and federal levels.
- Utility employees and executives frequently are appointed by politicians whose campaigns they fund and who are the targets of utility lobbying.
- Once they are appointed to a government position, they create energy policy and "regulate" the same industries that make them money.



*How do we
get closer to*

Energy Democracy?



Energy Democracy Principles

Energy democracy ensures that everyday people have a say in decisions about energy. At the center of this is community control.

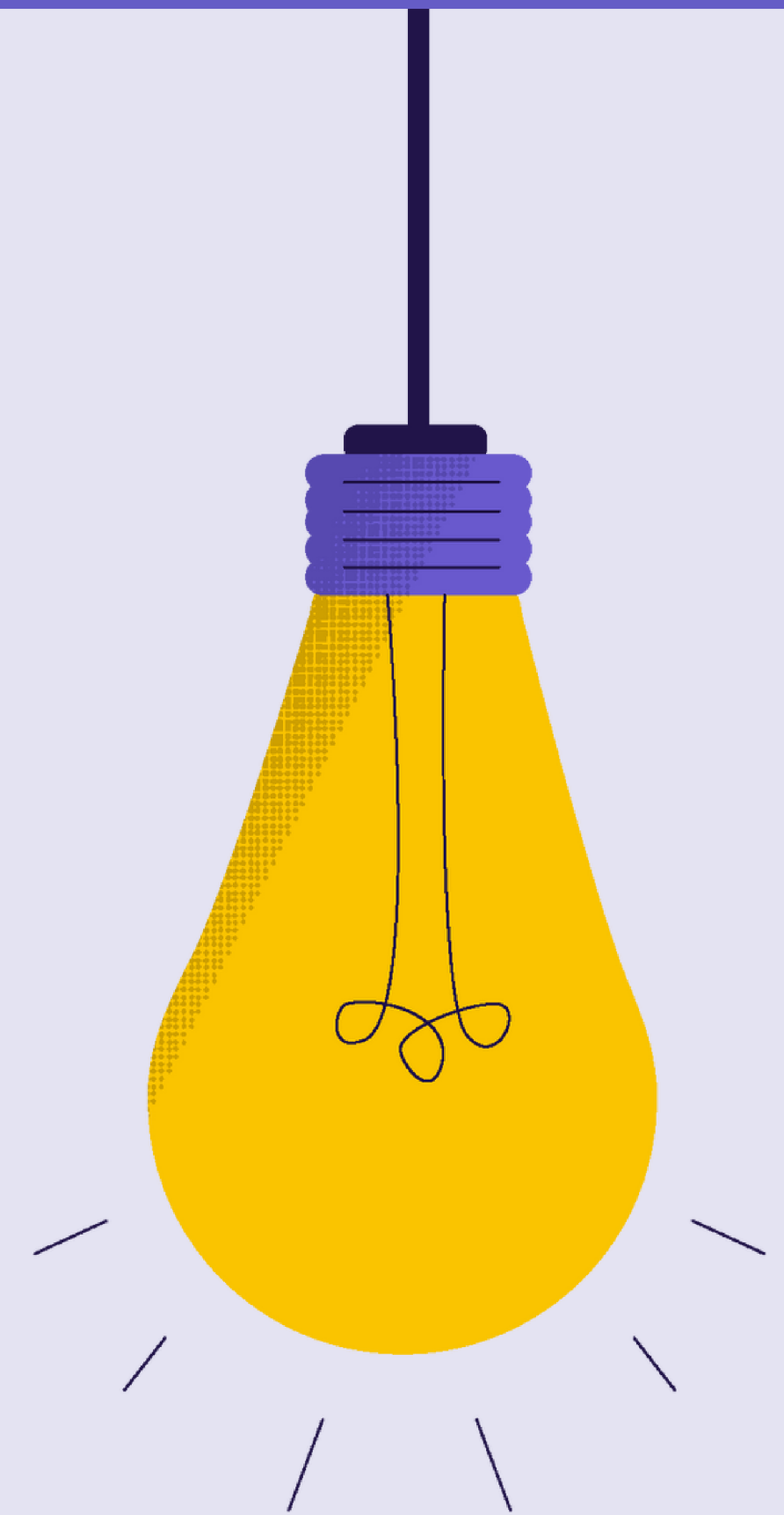
Together we can create an electric system that:

- ✓ relies on local, renewable electricity generation
- ✓ creates wealth-building jobs
- ✓ is democratically governed
- ✓ is accessible to everyone

Achieving Utility Justice is one step

Because utilities hold immense decision-making power over electric services, we need to scale back their influence and put it in the hands of communities and workers. We need energy democracy.

There are several steps communities can take toward utility justice and ultimately energy democracy.



Municipalization

Municipalization is the process of bringing a utility from private to public ownership.

Municipalization is a multi-year process and requires support and commitment from communities, businesses, and elected officials.



Benefits:

- ✓ Cheaper energy rates
- ✓ Better reliability
- ✓ Higher customer service
- ✓ Public accountability



Municipalization

- In 2000, the private electric utility Progress Energy approached the town of Winter Park, Florida about renewing its franchise agreement. The 30-year contract between the utility and the city was near expiration.
- City leaders rejected the utility's offer and instead proposed municipalizing the power grid.
- The municipalization process took over five years, with the new public utility coming online in 2005.



- The public utility uses all of the revenues from its electricity sales for capital improvements, except for a contribution to the city's general fund. It provides far more reliable service than Progress.
- Municipalization is a multi-year process and requires support and commitment from communities, businesses, and elected officials.



Community Choice Power

- In 2018, communities in the East Bay, California launched a public power agency to provide greener energy, low rates, and local community benefits.
- East Bay Community Energy is on a path to provide 100% carbon-free electricity to all customers by 2030.



- Established a 9-person Community Advisory Committee
- Offers competitively priced electricity – lower, more stable rates than the private utility PG&E
- Invests dollars directly in the community through grants and sponsorships.



Local Energy Generation

Communities can generate their own electricity from solar or wind sources while still staying connected to the central power grid.

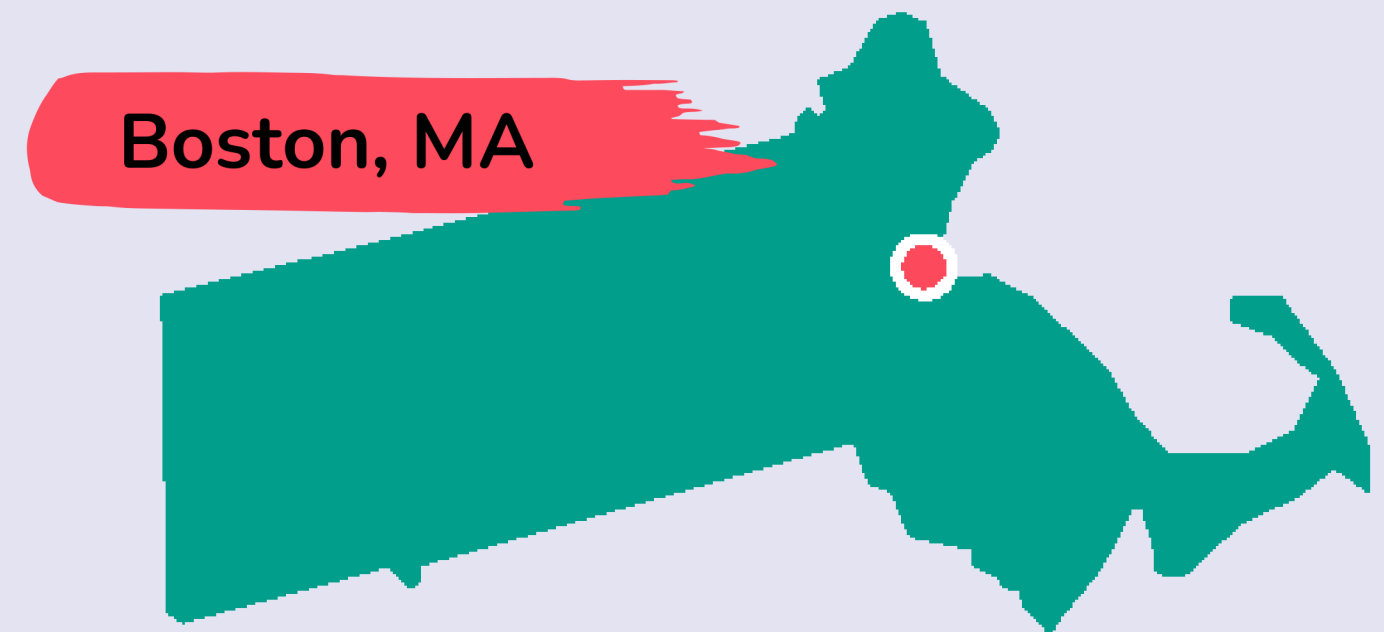


Benefits:

- ✓ Avoids the expensive, inefficient, and polluting long-distance delivery of power
- ✓ Enhances resilience and energy security
- ✓ Boosts local economies
- ✓ Boosts energy independence



Local Energy Generation



- Since 2005, in Massachusetts, PowerSwitch Action affiliate Community Labor United has been co-leading efforts to democratize energy and build climate resilience through the development of microgrid projects in Boston's Chinatown and Chelsea neighborhoods.
- The project will bring the benefits of new technology to communities that are most vulnerable to pollution and climate impacts, but don't have the same access to energy efficiency programs.
- Community governance is a key part of the microgrid project. The governance model will include a board or some sort of public entity that will manage the microgrid with representation from the community and stakeholders.



Commissioners

PUC Engagement

The way PUC commissioners earn their seats varies from state to state. In some states, community members can directly elect their PUC commissioner. In others, community members need to push their legislatures or Governor's office to appoint PUC commissioners who are advocates for equity and renewable energy, rather than reps who are too close to the industry.

Voter Appointed	Alabama, Arizona, Georgia, Louisiana, Mississippi, Montana, Nebraska, New Mexico, North Dakota, Oklahoma and South Dakota
State Legislature Appointed	South Carolina and Virginia
Governor Appointed	Alaska, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nevada, New Hampshire, New Jersey, New York, North Carolina, Ohio, Oregon, Pennsylvania, Rhode Island, Tennessee, Texas, Utah, Vermont, Washington, West Virginia, Wisconsin, Wyoming



Ratemaking

PUC Engagement

- Most PUCs allow for participation in ratemaking proceedings via hearings and public comment.
- Community members can seek to improve the decision-making process, via statute or public pressure.
- Most states have an “Office of Consumer Counsel,” “Consumer Advocate,” or “Ratepayer Advocate” that intervenes in most utility proceedings.



***Reach Out
To Your
Commissioner***



Shareholder Engagement

You can also push your private electric utility to incorporate energy democracy principles in its business practices by directly reaching out to shareholders of the corporation.

- Lead dialogues with the board of directors
- Publicly critique the company
- Push shareholders to divest from companies tied to fossil fuels



Benefits:

- ✓ You can hit them where it hurts - their bottom line
- ✓ Does not require a legal process
- ✓ Short-term wins are more achievable





***We need an electric system that is healthy,
sustainable, and community governed.***

***And we can have it – all while centering
the well-being of working people,
communities, and our planet.***

