

# Battle Lines Drawn

WHY CONSUMERS ENERGY IS TRYING TO KILL ROOFTOP SOLAR, AND WHY THIS GROUP OF CLEAN ENERGY ADVOCATES IS HELLBENT ON STOPPING THEM.

## Consumer's Strategy

### REGULATORY

Consumers Energy is proposing a rate that would dramatically shift the economics of rooftop solar. Rather than paying a fair price for the excess energy that rooftop solar customers produce and send back to the grid, Consumers is proposing a rate that will cripple the solar industry. They're not alone. Across the nation, utilities want discount energy at the expense of customers who choose solar.

The Michigan Public Service Commission (MPSC) will need to approve the rate Consumers must pay for electricity from rooftop solar customers as part of the Consumers Rate Case. We need the Commission's leadership to initiate an independent review to determine a fair Value of Solar for all Michigan utilities.

### LEGISLATIVE

Consumers Energy isn't only looking at regulatory changes to push its anti-competitive agenda. They are also battling rooftop solar at the state legislature, trying to stop a bill that would raise the cap on solar compensation. Under current state law, once 0.75% of all Consumers Energy's electricity comes from customer-owned solar, the utility no longer has to offer those customers a fair rate for the power they send to the grid. The unfair rate they are allowed to offer after they hit the 0.75% cap will spell disaster for the solar companies and their workers. It will kill demand by turning rooftop solar into a bad deal for customers. The bipartisan bill to raise the cap - SB 597/HB 5145 - looked promising until it faced opposition from utilities.

The state legislature has the power to save Michigan's solar industry from this artificial cap. Please call on your legislators to pass SB 597/HB 5145 and lift the solar cap.



## FACT

Most solar systems don't use batteries. Instead, they are "grid-tied," meaning they sell excess electricity back to the grid when the system is producing more electricity than is consumed on site. Consumers Energy then sells that discount electricity to neighboring properties at full retail price.

These small, distributed systems provide significant value to Consumers Energy and the electric grid they maintain:

- Solar produces energy where it is consumed, thereby skipping all of the costly transmission lines and inefficiencies from generating and transmitting power.
- Solar is most productive on hot, sunny, summer days when power is most demanded and, therefore, most expensive.
- Solar helps offset the need for Consumers to produce or procure expensive electricity from fossil fuels.
- Solar provides tangible environmental and climate benefits both locally and worldwide. The reduction of fossil fuel pollution saves Michiganders from asthma and other respiratory ailments and reduces burdens on vulnerable communities.
- Solar customers are paying for these mini solar power plants. The money to install them isn't coming from all utility customers like when Consumers buys or builds a power plant.
- As our society becomes more electrified with electric cars, heat pumps and other electric devices, distributed solar reduces the utilities' need to expand or replace aging distribution systems.

Consumers Energy is asking for a 14% residential rate increase during an economic downturn in which Michiganders are having trouble paying their bills. It is also a time when fuel and other costs are decreasing, reducing the justification for the massive rate hike they're requesting. People have the right to install solar if they want. Competition will pressure utilities to drive down their price or be left behind.

## FICTION

Consumers claims regular customers are subsidizing solar customers. They argue that the current rate of solar is unfair and threatens their bottom line. They use low-income ratepayers as a talking point in pursuit of dividing customer groups against one another.

They do this because they want to own all energy generation. Gutting the price for electricity from rooftop solar is a win-win for them. They either drive competition out of business or increase the profit they make when they buy cheap electricity from your neighbor and sell it to you at full price.

Consumers has made laudable commitments to renewable energy and has started to practice what they preach by building several large utility-scale solar projects. There are plans for a lot more. But they fear a decentralized, distributed energy future and are unwilling to adapt and uninterested in engaging. They recently admitted that they know distributed solar has locational benefits that create cost savings for the whole system. They just don't want to quantify it. They know that real numbers determined by an independent study won't give them the unfair advantage they desire.

If we succeed in making our case, the Michigan Public Service Commission will coordinate an independent study of the true Value of Solar energy and thereby fairly compensate solar customers, not just in Consumers' territory but across Michigan.

## Contact

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