

Briefing Statement: Louisiana Public Service Commission Holds the Keys to our Future

The Louisiana Public Service Commission, or LPSC, has a key role in deciding the costs that your utilities charge, the types of services it provides, and the kind of energy that powers our state.

The Commission is constitutionally empowered and has five elected members. **Two of those five seats are up for election this November.** This simple informational page highlights some of the things that anyone interested in serving as a Commissioner should be aware of.

1. REDUCING ENERGY COSTS AND BURDENS

The average American household spends an average of 3% of their income on home energy costs. In 2021 over 149,000 households in Louisiana spent ~23% of their income on their home energy costs. This is called an “energy burden” and Louisiana ranks among some of the very worst energy burdens in the country, due to the intersection of high energy bills and high poverty rates. While there isn’t a docket open to address this issue, **the Commission has the authority to develop solutions** to tackle these burdens, ranging from more targeted efficiency programs, championing community solar, and looking to billing solutions that have proven successful elsewhere.

But even if you aren’t paying a quarter of your income to keep the lights on, this summer you are likely experiencing sticker shock every month when you get that bill. This is due to decisions made over the last decade to lean heavily on methane gas for power generation. The LPSC has approved four new gas-fired power plants in the last four years and now over 71% of Louisiana electricity is generated using methane gas, which has soared more than 300% higher than 2021 gas prices, driving up your costs. Existing integrated utility incentives have driven this build out of new gas power plants, but the Commission has the authority to explore new ways to bring low-cost power onto the grid.

This summer, with persistent, dangerous, and extreme heat, the Commission could require utilities to continue to provide power to customers and **put a moratorium on disconnections.**

2. ENERGY EFFICIENCY PROGRAMS

Louisiana is ranked 45th out of 50 states for energy efficiency¹. In fact, Louisianans use over 30% more electricity than the average American household. And not just because it's hot and humid. Much of our housing stock is leaky, and the state-wide efficiency program directed by the Commission is so small, the funds run out quickly every year. Since 2009 the Commission has had a proceeding open to build a robust efficiency program but the docket has languished, unfinished for years. **The Commission must finalize these rules** so that Louisianans can save money and use less energy to stay safe and healthy in their homes.

3. RENEWABLE PORTFOLIO STANDARD

The gold standard policy for jumpstarting renewable energy growth is called a Renewable Portfolio Standard (RPS). In fact, the very first action item in the state's Climate Initiatives Task Force's Climate Action Plan this year is a Renewable Portfolio Standard. In Louisiana it is up to the LPSC to approve and implement an RPS, not the state legislature. Ten years ago the commission considered an RPS, but declined to implement one, claiming the cost was too high. Since then, the cost of solar has plummeted 90% and wind costs have dropped 75%. Louisiana needs to transition to clean renewable energy in order to protect our future from a severely changed climate, to be competitive to businesses that require renewables, and to stabilize our energy prices. Now is the time for the Commission to consider and implement new solutions, including a Renewable Portfolio Standard.

4. FAIR SOLAR POLICY - "NET METERING"

In 2019 the LPSC ended fair retail net metering for all utilities under their jurisdiction. This means anyone who puts solar on their rooftop since January 2020 only receives a fraction of the value from the power they send to the grid as a credit on their bill. This policy change had a major chilling effect on the solar industry, which laid off hundreds of workers and created a disincentive

¹ <https://database.aceee.org/state/louisiana>

for homeowners to invest in their energy independence. **The Commission should re-instate fair solar policy** to expand access to solar and enable actionable community solar policy.

5. RELIABILITY AND RESILIENCE

In a changing climate, having electricity is increasingly a life or death proposition. Loss of power was the main driver of fatalities in the last two years of storms, businesses have lost millions of dollars in inventory due to extended outages, and Louisiana has the worst basic reliability ratings in the country. Louisiana has an historic opportunity to plan for a power grid that serves people's needs, and to fund it with federal infrastructure dollars. Whether day-to-day reliability or resilience in the face of extreme heat, cold, and storms, the **Commission must actively coordinate with other state agencies to get the funds that can reduce ratepayer bills, keep the lights on, and keep utilities accountable to existing standards.** Solving these problems should include addressing what people need where they are, not just gold-plating the grid.

6. TRANSMISSION

Louisiana's transmission grid needs investment. In order to develop renewable energy rather than preventing access to it - which is what happens now, Louisiana's transmission system will need comprehensive planning. The LPSC has decisions to make around transmission planning and expansion. Transmission projects in the northern part of our grid are expected to create 213,000 jobs, but none of these kinds of expansion projects are planned in our region. Louisiana must not get left behind. An equitable, well-planned, modern transmission system will lower consumer costs, increase resilience, and allow us to retire polluting fossil fuel plants. **The Commission should actively engage with long range transmission planning, especially at MISO.**

7. PRISON PHONE COSTS

Incarcerated people in Louisiana pay extremely high phone costs to stay in touch with their families. The Commission sets prison phone costs and has a say over these costs. Along with our allies, we urge the **Commission to choose compassionate rates** for these phone calls.