

EMCs AND ENERGY EQUITY: HARNESSING YOUR POWER

*A supplement to Georgia Electric Membership Cooperatives:
IRC §501(c)(12) Compliance and Transparency*



Many thanks to *Energy Efficiency for All—Georgia* (Georgia Watch, Southface, Groundswell, Partnership for Southern Equity, and National Housing Trust) for contributing to the development of this guide.

Our vision:

The Energy Efficiency for All—Georgia Coalition advances a racial equity-centered approach to policy advocacy, program design and strategic community engagement that delivers healthy, safe and efficient affordable housing.

Map of Electric Membership Cooperatives in Georgia

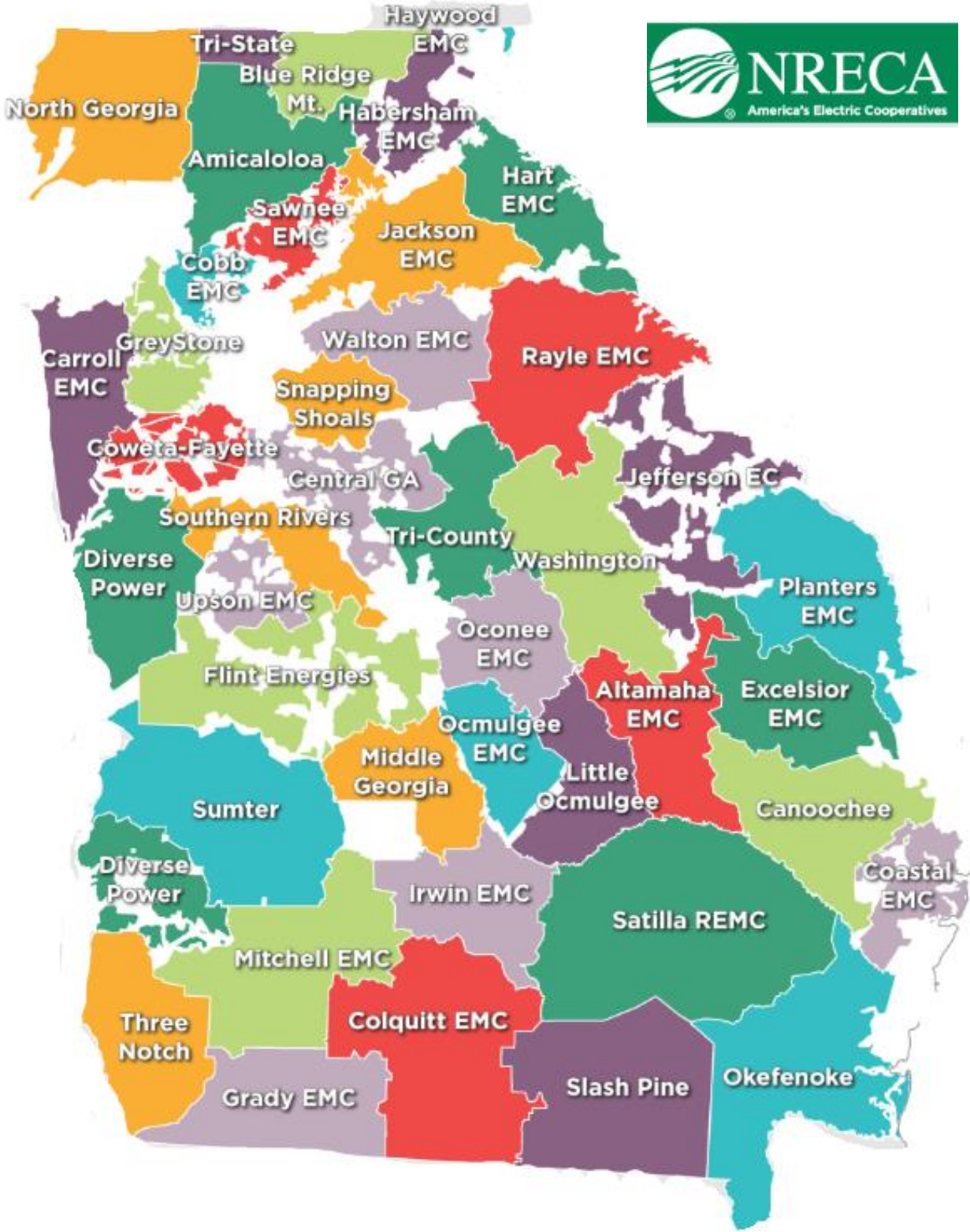


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This guide is intended as a supplement to [Georgia Electric Membership Cooperatives: IRC §501\(c\)\(12\) Compliance and Transparency](#), a detailed resource for members seeking to democratize their EMCs.

Introduction

Every year, thousands of Georgians struggle with high energy bills. In 2019 alone, the Georgia Low-Income Home Energy Assistance Program (LIHEAP) provided nearly 192,000 households with energy bill assistance—a number that has increased by more than 54,000 households since 2017.¹

Lower-income households particularly suffer from the burden of high energy bills, as they spend a larger percentage of their income on these bills than higher-income households.² Struggling consumers, including EMC members, are sometimes forced to make the impossible decision between keeping their lights on or purchasing other basic necessities, such as groceries or medical care.³

This “high energy burden” negatively affects both the financial well-being and health of individuals and families throughout Georgia.⁴ Those who cannot afford their energy bills on their own may fall into debt by seeking high-interest, short-term loans to pay their bills on time and avoid utility shutoff for nonpayment.^{5,6} Additionally, high energy bills can cause a variety of adverse health outcomes, as households cut back on necessary heating and cooling to save money.⁷

This snowball effect highlights not just the importance of addressing the high energy burden, but of understanding the links between energy burden and other quality of life issues consumers face. In short, it's all *connected*.



High energy burden traps struggling Georgians in a cycle of poverty, contributing to significant inequities in health and financial well-being. For this reason, energy is an equity issue in Georgia—and EMCs can play a crucial role in reducing Georgia's energy burden. This guide will help you harness your power as an EMC member to become a force for energy equity in your community.

WHAT IS AN EMC?

Electric **M**embership **C**ooperatives—often referred to simply as EMCs or electric co-ops—have provided electricity to remote and rural areas of the United States since the late 1930s.⁸ As of 2017, there were more than 900 EMCs in 47 states providing electricity. 56% of the country's landmass receives electric service from an EMC.⁹ **In Georgia alone, there are 45 EMCs serving 44% of the state's residents.**¹⁰

To find out if you are an EMC member, see “Want to Take Action” at the end of this guide.

DID YOU KNOW?

Even if you are not a member of an EMC and are served by a traditional utility like Georgia Power, the information in this guide can still help you better understand energy equity and equitable solutions you can advocate for at your utility. See our robust resources on consumer energy at www.georgiawatch.org!

All EMCs are tax-exempt 501(c)(12) nonprofit organizations. To qualify for this tax status, every EMC must be **democratically-controlled by its members** through meetings that require a quorum—a minimum number of attendees to consider the meeting valid—where each member has one vote. Every EMC customer is a member and, therefore, allowed to participate in meetings and cast their votes.



KEY ELEMENTS OF EMCs:

- 1) Private, independent, non-profit electric utility business
- 2) Established to provide at-cost electric service
- 3) Incorporated under the laws of the state in which they operate
- 4) Governed by a board of directors elected from the membership, which sets policies and procedures that are implemented by the cooperative's management
- 5) *Owned by the consumers they serve*

Being an EMC customer means being a part-owner, or member-owner, of your utility provider. This means that **you have a say in how the utility operates**, including how it supports energy efficiency initiatives and clean energy in your community. Many EMCs across the country have created more accessible energy efficiency and solar programs, by launching community solar projects and implementing financing models that allow lower-income members to afford energy efficiency improvements. By understanding how EMCs operate, you can use your voice as a member to advance energy equity and bring the widespread benefits of clean energy to your community.

EMCs and ENERGY EQUITY

Creating a more equitable Georgia means bringing comprehensive, accessible clean energy programs, like energy efficiency and solar, to EMCs throughout the state. These programs can positively transform communities in many ways. Here are just a few examples of the ways clean energy reduces inequities and transforms families and communities:

ENERGY SAVINGS: Energy costs are higher during periods when people use more energy, like during hot summer days in Georgia.¹¹ The costs to families living in energy inefficient homes are tremendous during these times. By using less energy over time through efficiency measures or alternative sources of energy, consumers can both reduce their energy costs and power their homes with cleaner energy.

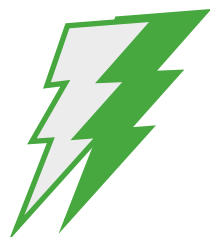
Energy equity refers to the fair distribution of the benefits and burdens of the ways we produce and consume energy. In practice, this means reducing mounting energy costs to ensure that consumers are able to meet their basic needs, making homes and communities healthier for all by increasing access to energy efficiency and clean energy, and ensuring that decision-making around energy policy is more reflective of the needs of all communities.

Energy efficiency means using less energy to perform the same function. It can refer to the character of individual appliances as well as an entire home. For example, an LED light bulb uses less energy to perform the same amount of light as a traditional incandescent light bulb.

FINANCIAL WELL-BEING: High energy bills intensify financial instability, sometimes forcing people to consider high-risk short-term loans to pay their energy bills on time and avoid loss of service. High energy bills disparately impact Georgia's lower-income families, who often spend a disproportionate amount of their household income on energy bills. Increasing access to energy efficiency can go a long way toward addressing Georgia's disparity in household energy costs and significantly reducing struggling consumers' energy bills. Greater financial stability is a key benefit of energy efficiency for lower-income families.

PHYSICAL WELL-BEING: There is a direct link between burdensome high energy bills and health.¹² Consumers struggling to pay their bills may aim to save money by cutting back on necessary energy usage, such as heating and cooling, which can result in poor health. Living in improperly heated or cooled homes increases cases of asthma, heart disease, and other respiratory problems, particularly among elderly individuals and children.¹³ Increased health problems can lead to more medical emergencies and bills, which only add to the existing financial strain that cash-strapped households already face. **Energy efficiency enables families to use less energy—resulting in lower energy bills—while still meeting their energy needs.** Families should not have to sacrifice their energy needs, thereby endangering their health, to save money on energy bills.

COMMUNITY WELL-BEING: Lower-income neighborhoods are disproportionately located near polluting power generation facilities, which results in poor air quality that can cause or aggravate respiratory conditions.¹⁴ Making homes more energy efficient and increasing access to clean energy reduces the reliance on dirty energy and increases the overall health of communities.¹⁵



JOB CREATION: Energy efficiency and solar energy stimulate local economies by creating local jobs in the manufacture, sale, and installation of energy measures and products. As of 2019, nearly 63,000 Georgians work on energy efficiency products and projects,¹⁶ and 4,500 work in the solar sector!¹⁷ The solar industry ranks second in total employment among energy industries, employing twice as many people as coal and nearly five times as many people as nuclear energy.¹⁸



REMEMBER!

EMCs respond to the needs and wants of their members, not shareholders, which gives them unique flexibility to implement policies and programs that other large, investor-owned utilities like Georgia Power, may not be able to implement without permission from its shareholders or a state regulatory agency. For example, an EMC can implement programs that save money for members but provide little or no profit to the EMC itself.



This Energy Equity Forum, hosted by Energy Efficiency for All—Georgia in Camilla in 2017 was the first of several rural forums to educate Georgians about programs available at their utilities and how to advocate for more energy efficiency options.

BRINGING ENERGY EFFICIENCY TO YOUR EMC

Investing in clean energy, like energy efficiency and solar, can help alleviate Georgia's high energy burden. These clean energy alternatives lower and stabilize household energy bills, create healthier and more comfortable living environments, and reduce the high energy demand that drives up energy prices.

However, programs offering energy efficiency improvements and solar energy remain largely unavailable or otherwise inaccessible for Georgians who need them the most: those who rent, live in multi-family affordable housing, or cannot afford the high upfront costs of energy efficiency improvements and solar energy.

EMCs are nonprofit and member-owned. As a member, you have the power to advance the implementation of accessible and equitable energy programs in your community. Harness your power!

What kinds of programs and mechanisms can your EMC offer to increase access to energy efficiency and solar for members like you? *Here are some key recommendations, based on examples from other EMCs across the region:*



ON-BILL FINANCING: Some EMCs have adopted a new financing approach to make energy efficiency upgrades more accessible for their lower-income members. Through this approach, called on-bill financing, the EMC pays the upfront costs of energy efficiency upgrades. The member gradually pays back the costs on their monthly bills, based on the energy savings they receive as a result of the upgrades.

PAYS model (“Pay-As-You-Save”): This kind of on-bill financing program is particularly popular among southern EMCs. Under the model, the EMC places on the member’s monthly bill a fixed charge that is less than the estimated savings generated from the energy efficiency upgrades. This allows members to experience an immediate cash flow.

The PAYS model does not place a lien on the property or depend on the member obtaining a loan or lease, meaning the model expands access to members who otherwise would be unable to finance energy efficiency upgrades and rooftop solar. This, in turn, lessens the need to turn on expensive power generation systems and build more dirty power generating plants.¹⁹ The overall result includes lower power costs for the utility and its members, as well as fewer environmental impacts in vulnerable communities where power generation plants are often located.²⁰ Roanoke Electric Cooperative in North Carolina²¹ and Ouachita Electric Cooperative in Arkansas²² are two EMCs that have successfully launched their own on-bill financing programs based on the PAYS model.





COMMUNITY SOLAR: Over the past decade, utilities have been bringing more solar online and offering incentives for customers to install solar panels on their rooftops. However, some households are unable to participate in solar energy programs for a variety of reasons. Yet there are steps EMCs can take to increase solar access for such households.

Shared community solar²³ presents an ideal alternative for lower-income households who rent, cannot afford the high upfront costs of rooftop solar panels, live in multi-family housing, or lack suitable rooftops for panels. Community solar, sometimes called shared solar, allows individuals to purchase affordable clean energy produced close to home, without installing any new equipment. Using this model, a solar array is built in a location with good sun exposure and access to the power grid. Anyone who pays their own power bill, including renters and owners, can then buy subscriptions for a portion of the energy produced by the system, which is credited against their power bill.

Community solar expands access to a broader group of people and provides tangible benefits—e.g. energy bill credits—to individuals and families who need help managing their energy bills. Currently, roughly 49% of all households and businesses cannot host solar arrays on their own property.²⁴ Community solar overcomes physical and economic obstacles to solar access. Creating a community solar program specifically tailored for low-income families can go a long way toward lowering their energy burden.²⁵

UTILITY INCENTIVES AND REBATES: Many electric utilities, including EMCs, have energy efficiency and solar programs that provide financial incentives, such as rebates and discounts, for customers looking to participate in such programs. While these incentives are available for all customers, they often require customers to pay high upfront costs. As a result, traditional incentives like rebates tend to benefit higher-income customers who can afford to pay for costly energy efficiency upgrades. EMCs that do not already offer energy efficiency-related financial incentives to their members should provide robust financial incentives and rebates for participating in energy efficiency and solar programs. But, more importantly, EMCs should focus on ways to ensure that these incentive programs are accessible for lower-income members.



For more information about energy efficiency and solar energy, see **“Want to Take Action”** at the end of this guide.

WANT TO TAKE ACTION?

You may be wondering what you can do today to start harnessing your power as an EMC member. How can you begin to advocate for energy equity? Consider the following 4-point checklist:

Learn more about energy equity. [Keeping the Lights On](#) is an expanded guide that discusses energy equity, solar, energy efficiency and what to do if you are struggling to pay utility bills.

Find your EMC. Are you a member of an EMC? If you are still unsure, take a look at your recent energy bill or visit [Georgia EMC](#) to find your EMC by county.

Educate yourself about EMC structure and requirements. See [this EMC compliance and transparency guide](#) for a detailed discussion of EMC structure and how to maximize your role as a member. **Use the checklists in Appendices A and B of the guide to determine if your EMC is compliant with I.R.C. §501(c)(12) requirements around democratic control and transparency.**

Connect with other groups and collectives engaged in EMC organizing. [Advancing Equity & Opportunity \(AEO\) Collaborative](#) launched in 2014 when nearly twenty groups came together to build more power in the South and sustain engagement around energy equity. AEO works across eleven states in the South: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, and Virginia. The [Energy Efficiency for All—Georgia](#) coalition works diligently to ensure greater EMC transparency as well as to increase access to energy efficiency and solar across our state. If you want to stay connected with energy equity advocates around Georgia, consider joining [Energy Equity—Georgia](#) group on Facebook.

CONCLUSION

By harnessing your power as an EMC member, you can make a powerful impact on your community and communities throughout Georgia struggling with high energy bills. Arming yourself with knowledge about your role as an EMC member is a critical step toward promoting a healthier, more equitable future for Georgia where no family has to choose between groceries and keeping the lights on. While the recommendations in this guide are not exhaustive, they offer a helpful starting point for EMC members interested in providing relief to struggling families, supporting clean energy, combating pollution, and strengthening communities.

To learn more, please visit www.georgiawatch.org, where you will find additional guides and factsheets, including checklists and other resources, about the equity issues we face in Georgia and what you can do to fight for an equitable future for all Georgians.



Members of Energy Efficiency for All—Georgia at an Energy Equity Forum in Columbus.

ENDNOTES

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