

**LOW INCOME CONSUMER ADVISORY TASK FORCE**  
**JANUARY 16, 2015 Meeting, 10:00 – 12:00 PM**  
**AGENDA ITEM # 5**

**STUDY OF WEATHERIZATION COST SAVINGS MEASURES**

**RESOLUTION NO. \_\_\_\_\_**

**WHEREAS**, the Low Income Consumer Task Force was created by Council Resolution No. 20140828-158 to, in part, to make recommendations regarding the development, design, and implementation of energy efficiency and renewable programs and to explore program options to deliver low and moderate income energy efficiency programs more effectively and in a more cost-efficient manner; and

**WHEREAS**, in October 2014 GDS Associates outlined a scope of work for AE that was to update an evaluation the consultants performed on Austin Energy's ARRA-funded weatherization programs; and

**WHEREAS**, in its scope of work with AE, GDS anticipated AE may request additional information be gathered and included in its evaluations; and

**WHEREAS**, bulk purchasing of appliances to replace inefficient appliances in low income weatherization programs has shown to create economic efficiencies (economies of scale); and

**WHEREAS**, utility funding provided to Third party, non-profit organizations (including networks) or to governmental agencies and or departments working on affordable housing to provide low income weatherization services has shown to create economic efficiencies (economies of scope and scale) and to minimize the number of customer contacts for the utility and the funded organization or governmental entity; and

**WHEREAS**, there is a need by the Low Income Consumer Task Force for this information in order to fulfill the Council's directives;

**THEREFORE, BE IT RESOLVED** that Austin Energy be directed to include as part of the scope of services GDS is providing Austin Energy regarding the utility's low income energy efficiency programs the following:

1. Review and analyze AE's bulk buying of refrigerators in 2013 and 2014 to determine:
  - a. The extent of costs savings AE experienced by bulk purchasing;
  - b. How AE's business practices compared with other utilities or non-profit organizations business practices utilizing bulk purchasing for appliance retrofit;
  - c. How AE's business practices regarding its bulk purchasing compared to the D.O.E.-developed "Quantity Quotes."
  - d. What various market options are available to AE for bulk purchases of appliances, and evaluating these options for economic, resource, and customer service efficiency for each option; and
  - e. What recommendations, if any, should be made to improve the cost and time efficiency of AE's bulk purchasing business practices in 2013 and in 2014, including what type of bulk purchasing, such as purchases directly from the manufacturer or from a retailer-manufacturer such as Sears or Home Depot or purchasers from a buyer-seller clearinghouse should be instituted.
2. Analyze and recommend economies of scale and scope involving utility funding of non-profit organizations or networks or governmental agencies, including city departments,

involved in affordable housing to provide low income weatherization services including allow for customer one-stop shopping.

3. Upon completion, report its analysis and recommendations in writing to the Low Income Consumer Energy Efficiency Task Force;
4. Austin Energy publish the GDS report, analysis, and recommendations on its and the Low Income Consumer Task Force's websites concurrently with reporting to the Task Force;