



## **LOW INCOME CONSUMER ADVISORY TASK FORCE MEETING MINUTES February 6, 2015**

The Low Income Consumer Advisory Task Force convened in a regular meeting at Town Lake Center, 721 Barton Springs Road, Room 100, in Austin, Texas. Chairperson, Carol Biedrzycki called the meeting to order at 10:03 a.m.

**Task Force Members in Attendance:** Carol Biedrzycki, Tim Arndt, Lanetta Cooper, Karen Hadden, Richard Halpin, Dan Pruett, Cyrus Reed, and Chris Strand. Member Kelly Weiss was not in attendance.

**Staff in Attendance:** Austin Energy staff included Debra Athearn, Sady Bartlett, Liz Jambor, Debbie Kimberly, Denise Kuehn, and Ronnie Mendoza.

**1. APPROVAL OF MINUTES-** Carol proposed changes to the January 16th meeting minutes: Under DISCUSSION PANEL, Susan Peterson comments should read: "With the component rebates, they are low enough that Foundation Communities can get better deals from contractors outside of the utility's rebate programs. Weatherization is often provided in a piece-meal approach because the income eligibility requirement for weatherization varies from the housing eligibility requirement (200% of federal poverty guideline versus 30 to 80% of median income)".

Under BRIEFINGS & REPORTS, Committee Reports, Low Income Energy efficiency Program Committee, the last sentence should read, "All task force members agreed."

Under BRIEFINGS & REPORTS, Committee Reports, Affordable Rental Property Committee, the acronym PACE should include, (Property Assessed Clean Energy).

Lanetta Cooper moved to approve the revised minutes and Tim Arndt seconded. All were in favor to approve the amended minutes.

### **CITIZEN COMMUNICATIONS-GENERAL**

This meeting's Citizen Communications portion was longer than in previous meetings. Task force members were able to engage in discussion with the citizens to gather more information.

Paul Robbins, Environmental Advocate- shared deep reservations about reinstating a program to give away free HVAC. He provided details of funding for rebate programs as compared to costs for free weatherization. He asked the Task Force to do serious analysis on how their proposals could affect non-participating low income customers. Questions and discussion followed.

Dave Cortez, Sierra Club- invited the members to attend a community meeting on February 28th, from 2-4 at the Santa Julia Church. During the meeting, customers would be provided with explanation on how to read

their utility bills. He wanted the members to receive real public input from people suffering in the low income community. He also wanted the community to know what the Task Force was doing. He would like someone from the group to give a short presentation and for each member's organizations to set up a table at the event. They would have other events at later dates. He would send invites out to the members. Questions and discussion followed.

Kent Ambrose, American Conservation & Air- reported that he had 41 total jobs since October, 15 were given back for ineligibility or no responses and 3 were scheduled for inspection. He remarked on communication improvements with Austin Energy (AE). They were now provided the entire customer list. He wanted air conditioning to be in the program and they should have criteria to replace or service systems. Questions and discussion followed.

Charlie Ford, City Conservation/Totally Cool- reported on various issues. He noted the slow turnaround time for payment. He explained that customers are unaware of issues in their own homes. Furnaces were very old, and homes with R22 refrigerant won't be able to have them serviced in a few years. They would need to be replaced. There had to be a compromise and economies of scale to change AC at the same time as the furnace. Some had replaced duct sealing with no AC installed. He believed that window units open the house to burglary and are not very efficient. He reported that he had not been paid since December but that was not always in AE's hands. Questions and discussion followed.

Scott Johnson, Community Advocate – shared a summary on monthly customer voluntary donations to the Parks and Library Fund, the Public School Fund, the Customer Assistance Fund. He shared information on CAP funding and money that came from the utility bill. CAP funding increases with Power Plus newsletter articles and voluntary donations. Advocacy groups could help move funds higher. Questions and discussion followed.

Larry Sellers, ABC Home and Commercial Services- stated that he had been in the HVAC business for 32 years and previously worked for Austin Energy in Residential Rebate Program. He believed that HVAC for low income people would create an additional burden due to the maintenance and repair. He stated they could help more people and cover a larger segment with window units by providing relief where people slept versus cooling the whole house. Central air makes it harder for people to afford. Questions and discussion followed.

## **NEW BUSINESS**

**2. Discussion with representatives from the Best Single Source Plus Program to share what needs they see in the community for utility assistance and energy efficiency services-**This agenda item was postponed until further notice.

**3. Discussion of utility on-bill financing and other energy efficiency financing options** –Each member shared their ideas on how financing options work and the advantages and disadvantages of different options.

Chris emphasized that on-bill financing was critical for low income customers that could not get financing and he wanted to keep loan rates down. They needed better rates and more loan options.

Cyrus noted that there was a difference between on-bill financing versus on-bill repayment. He shared another concept called WHEEL which leverages public funds with private capital to support energy efficiency programs. He recommended that they look into WHEEL and on-bill repayment as an option.

Lanetta was skeptical of on-bill financing unless they could offer customer protection from disconnection. She passed out a New York report that Carol had provided. She said they needed to see a realistic ability to pay and ensure that people could actually pay back the loans. The 200-300% needed to have 100% financing and rebate programs.

Dan agreed with Lanetta. He said he was not prepared to make recommendations on the issue because he needed more information and time. He would like more presentations and more meetings to bring in legal and hear the pros and cons. He noted that he was appointed by the previous mayor and would like to meet with the current mayor to update him and get his input before moving forward.

Richard was pleased with the comments that were made by the other members. He was favorable to rate payers getting renewables in a way that they could pay for them. He wanted to discuss more on that issue. He proposed a panel discussion idea to cover the issues and provide recommendations. They could also have a sub-committee to focus on these issues.

Tim stated that Texas passed PACE (Property Assessed Clean Energy) for financing energy efficiency improvements for Multifamily, 5 units or above. The financing through Velocity Credit Union loans had a loan loss guarantee fund. \$5 million could be used in support of the on-bill financing ideas. This was currently not being leveraged. Cyrus noted that Tim's idea was similar to the WHEEL concept.

Karen shared with Chris's comments and wanted to figure out how to do on-bill financing and repayment. She informed that utilities were looking at options. She recommended consulting with the Regulatory Assistance Project on the matter.

Debbie Kimberly, Vice President of Customer Energy Solutions, commented that it was a complicated issue that needed more discussion with the right people in the room. She informed that public power was limited by Federal and State legislation in regards to loaning money but there were other ways. She fully supported the WHEEL concept. She stated that AE offered loans and have bought down loan rates via Velocity Credit Union. AE staff was looking into adjusting the credit threshold or reinitiating the buy down of rates. She encouraged the members to look beyond on-bill financing via AE loaning monies. She stated that AE currently has 70 million in bad debt and it is growing. She emphasized that there were other ways to provide financing with private funding.

Denise Kuehn, Energy Efficiency Services Director, presented other funding options and opportunities that staff was looking into. She spoke about residential loans and exploring options for the low to moderate income group. Velocity was open to reducing credit scores to address the 200-400% poverty group however; they could not leverage more dollars. They have to match 100%. They were looking forward to Velocity being more flexibility in regards to the buy down amounts. She also gave an overview of opportunities with PACE.

Carol was pleased to see progress on the PACE project. In regards to on-bill financing, she likes the features that allows consumers to see a direct relationship between energy efficiency and cost. However, she was concerned about how people would be able to pay back the loan. She did not see a lot of uptake in other

utilities that were utilizing on-bill financing. She wanted to explore how much effort and resources it would take to do it as there was not much demand. They needed to take a deeper look at recommendation areas for the short term and long term and look at the desirability of on-bill financing for the consumer.

Richard recommended that they get expertise from AE and weave ideas from the Task Force to give their final recommendations. They should view what had been consistent obstacles and follow a set of criteria, such as affordability, attractiveness, and compatibility. They could also bring other experts and have dialogue so that that they would not waste any time.

Dan agreed to pursue on- bill financing but needed prioritization. It was important to him but not at the top of his list. He stated that weatherization, neighborhood housing, HVAC and appliances were more important. He wanted full meetings around those topics and more information from AE. He recommended that some meetings should be issue focused. It felt it was hard to get anything accomplished with the current agenda outline.

Denise confirmed that they could put all their ideas on the table and staff would share what they knew.

Tim asked Denise for clarification on the buy down of Velocity loans and whether they were DOE (Department of Energy) money for the buy downs and rebates? Denise clarified that they were 2 different funding sources. Grant money was for loan loss reserves and they were using AE money for the buy down.

Karen wanted to look into loan programs that could bring revenue back to AE.

Carol asked the group if they wanted this issue to be a recommendation on their April or June recommendation report to Council. Chris confirmed that he wanted it on the April report.

Tim asked for tactical recommendations from the members. Cyrus and Dan reiterated that they wanted outside experts to speak for an open discussion.

## **OLD BUSINESS**

### **4. Discussion and possible action on the inclusion of HVAC equipment and refrigerators in the weatherization program-**

Dan stated that a repair program needed to be an option. They should offer full array of options. The current window units' policy needed to be expanded to include more people. The Task Force needed to present to Council low cost alternatives.

Richard agreed with Dan, they needed to offer a basic level of heating and cooling to keep people in homes but that are affordable for rate payers and doable in AE's capacity. They also needed to figure out how to speed up the process.

Tim's research showed that 80% of homes have central AC. They needed to look at repair and replace and to replace central AC with central AC. He shared information on rebate levels. They should look at the difference between free and Home Performance with Energy Star rebates. He also shared opportunity costs for refrigerators. The bulk purchase of refrigerators should be included. He emphasized that it was about community values and affordability.

Carol noted that construction techniques included AC in the majority of homes. She wanted to offer a healthy living environment and thought they needed to do more to directly coordinate weatherization with the Housing Repair Coalition. She recommended looking into the possibility of moving money directly into the programs and letting another organization do weatherization. She also wanted to have a maintenance program to follow up on weatherization jobs.

Karen wanted to look at what was affordable within the budget and look for opportunities to expand the budget. She asked what grants were out there and suggested that AE staff could share that information.

Chris referred to housing data. They would be spending \$7500 vs \$1500 per house. They needed to impact the maximum number of people as possible. He highlighted that it was a social program as it doesn't save energy or greenhouse gases.

Cyrus referenced the 800 MW by 2020 goal. He suggested that they needed to talk about 3-4 million a year as a budget and see how to make it as effective as possible to spread the wealth utilizing Texas gas money, Water utility, Austin Energy, and Federal money. Then for some they repair and some they replaced. They needed to come up with the criteria.

Lanetta reiterated that the CAP weatherization program was not an energy efficiency program but a customer assistance program. She supported appliance retrofits and noted a GDS study that stated that the biggest energy efficiency savings is in refrigerators and HVAC replacement. She wanted to move CAP weatherization money to be implemented by Neighborhood Housing. They should also consider appliance retrofit for low income weatherization as it increases energy savings. She passed out supporting documents.

Karen wanted to look at what AE had done historically in terms of energy efficiency so that they could stay on that path and recognize the benefits of not building another power plant.

Tim asked Lanetta about the difference between CAP and energy efficiency goals. Lanetta explained they needed to explore the concept of combining EE funds and CAP funds to retrofit homes but that it might diminish the availability of money for non-participating CAP customers. Lanetta requested to submit questions to AE with objections from the other members.

Carol highlighted other agenda items. Lanetta wanted a discussion on the implementation of moving CAP weatherization funds to Neighborhood Housing.

Dan shared concerns about moving money from AE to Neighborhood Housing. He emphasized that it was a significant action that required more time and they should devote a whole meeting to panel discussions. Carol suggested scheduling more meetings.

**5. Discussion and possible action on a draft resolution, "Study of weatherization cost savings measures" –**

This item was postponed until the next meeting.

**6. Discussion and possible action on a draft resolution, "City Auditor study on improving the efficiency of City programs and/or services addressing affordable housing" –**This item was postponed until the next meeting.

**7. Discussion and possible action regarding the location of future Task Force meetings –** Sady read emails from the clerk's office and provided information about meeting location availability. She reported that meeting room priority would go to Council subcommittees. The availability of the rooms would not be

consistent. No comments were made by the members. Sady would research exact dates with room availability that allowed for video recording and report back to the group.

#### **BRIEFINGS & REPORTS**

**8. Austin Energy staff update on the weatherization program job status**-There was no presentation on this item.

**9. Status of data requests**- There was no presentation on this item.

**10. Committee Reports – possible reports from the Low Income Energy Efficiency Program Committee, Low-Moderate Income Energy Efficiency Program Committee, and/or Affordable Rental Property Committee**-There were no reports.

#### **FUTURE AGENDA ITEMS**

**11. Discussion regarding future agenda items including a schedule of topics and issues and topics raised during briefings and citizen communications –**

Carol and Cyrus would not be at the next regular meeting. Tim is to chair. Tim wanted to add to the next meeting's agenda a discussion of the group's top 5- 1 year priorities and top 5-5 year priorities. There would also be a discussion on the budget, weatherization, on-bill financing and other funding options. The members would look at lists of ideas to prioritize.

Karen wanted on the agenda an item on community outreach.

Carol requested that ideas on who to serve on panel discussions be sent to her.

Cyrus wanted to add to the discussion how to make solar more accessible.

Tim asked for volunteers for Dave Cortez invitation to the Feb 28<sup>th</sup> community meeting. Carol confirmed that she would attend and speak on behalf of the Task Force.

A tentative meeting for February 27<sup>th</sup> was scheduled and would be confirmed at the February 20<sup>th</sup> meeting.

**ADJOURNMENT:** Meeting was adjourn at 12:17pm with no objection.