



LOW INCOME CONSUMER ADVISORY TASK FORCE MEETING MINUTES March 13, 2015

The Low Income Consumer Advisory Task Force convened in a special called meeting at Town Lake Center, 721 Barton Springs Road, Room 130, in Austin, Texas. Chairperson, Carol Biedrzycki called the meeting to order at 9:03 a.m.

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

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

APPROVAL OF MINUTES

1. Approve minutes from February 27, 2015 meeting- Tim Arndt motioned to approve the minutes from the February 27, 2015 special called meeting. Dan Pruett seconded. 6 members approved with 1 abstaining vote from Richard Halpin.

2. Approve minutes from March 6, 2015 meeting- Cyrus Reed motioned to approve the minutes from the March 6, 2015 regular meeting but no action was made due to a lack of quorum votes. The March 6, 2015 meeting minutes was postponed to be approved at the next regular meeting on March 27, 2015.

CITIZEN COMMUNICATIONS: GENERAL

Johnny Limon, Native Austinite- shared his brother's struggle with paying his high utility bill. He asked that Austin Energy (AE) look into appliance programs similar to past programs for the lawn mowers and toilets.

Rachel Stone, working on energy efficiency financing and Green multifamily rehab- recommended that AE have an intervention specialist to help customers avoid high bills. Specialist could monitor utility bills and identify customers that are behind in payment.

NEW BUSINESS

3. Discussion panel regarding financing options for energy efficiency and solar applications- Chairperson, Carol Biedrzycki declared the panel discussion open. One participant asked the Chair to give an up to date summary on what the Task Force has covered and what they were looking at. Carol informed that they were looking to increase energy efficiency participation from 3 different groups of under-served customers. These customer groups included; low income customers that were 200% and below poverty, low-moderate income customers between 201%-400%, and renters. The Task Force set up sub-committees that were assigned to focus on the needs of the different groups. They would offer their recommendations for these particular customer groups. She emphasized that the Task Force was seeking ideas from the participants regarding financing options that could help to better engage these particular customer groups.

Cyrus Reed added that there were also some legal constraints concerning the City's position regarding on-bill financing. Representatives from the City's Legal Department were not able to attend the meeting. Carol asked Debbie Kimberly, Vice President of Customer Energy Solutions, for more clarification on this matter. Debbie informed that the City's Legal Department indicated they were not able to support task force efforts. Legal constraints were due primarily to the State Constitution and federal regulations. Debbie summarized the Legal Department's directive to AE in regards to on-bill financing as follows:

- It would be an inappropriate expenditure of City funds
- Customers could be disconnected for nonpayment of their loans
- Modification to the current billing system would be costly

She noted that AE was pursuing an alternative path via Velocity Credit Union loans.

Tim Arndt added that duplexes, triplexes, and 4-plexes were also another hard to reach sector.

Discussion included comments and recommendations from the following participants:

Doug Lewin, Executive Director, Southwest Partnership for Energy Efficiency as a Resource (SPEER)

Comments and recommendations included:

- Noted difference between on-bill financing and on-bill repayment; Task Force should look at both options
- Warehouse for Energy Efficiency Loans (WHEEL): Financing program in Pennsylvania and growing into other states. Some public dollars leveraged with private dollars for homeowner to improve home. 7-10% interest rate but dropping with new participants. FICO score of low 600 minimum. Better for the moderate income group
- Property Assessed Clean Energy (PACE): Enables local government to adopt financing for commercial properties only but includes multifamily of 5 or more. Potential solution for renters
- In current legislature HB 3363, just filed for allowance of residential PACE. Loan is tied to the property.
- Utility Allowances: Used in California. Allows owners of low income housing who pays utilities to finance and pay back on utility bill
- Solar Leasing Option: Increasing in popularity

Questions and discussion followed.

John Hall, Environmental Defense Fund (EDF), 20-years of experience as consultant on environment, water, and energy issues

Comments and recommendations included:

- Task Force should look into alternative legal advice
- Expand loan options to low-moderate income families and small businesses
- Up-front costs limits homeowner participation
- North Carolina Coop creating on-bill financing program and leveraging USDA money
- Low income program needed to be significantly expanded; more savings by changing out HVAC and appliances
- Financing programs or grants are needed to assist homeowners with savings that are significant to pay for the loans
- Need to demonstrate to homeowners that energy efficiency measures show real savings
- Financing is important but outreach also needs to be conducted

Questions and discussion followed.

Janee Briesemeister, Retiree from AARP, 25-years of experience representing residential utility customers at Consumers Union and AARP

Comments and recommendations included:

- Not everyone is appropriate for a loan
- Some jurisdictions allow disconnection of electricity as a repayment tool
- Loan default rates were up to 3%
- FHA not a proponent of PACE financing
- Red flags when using home equity for energy efficiency improvements; puts home at risk
- Need to ensure consumer protections are in place to safeguard consumers from predatory lenders
- Solar leasing is a viable model but cautions predatory lending practices

Questions and discussion followed.

Ruby Roa, Retiree from Austin Energy after 27-years, housing advocate, rate-payer advocate, and representative for poor people

Comments and recommendations included:

- Education is a very important component
- Housing Repair Coalition is a main component in building relationships and education
- Austin Finance Corporation (AFC) has grants to fix houses but there has to be a political will
- Recommends transfer of AE weatherization money over to AFC to coordinate
- Use Holly Project as an model for money transfer

Questions and discussion followed.

Mark Rogers, Executive Director, Guadalupe Neighborhood Development Corporation

Comments and recommendations included:

- Community land trust homes
- Frustration dealing with City of Austin utilities via phone
- Work with AE solar on net zero homes via Spirit Foundation grant

Questions and discussion followed.

OLD BUSINESS

4. Discussion of short-term and long-term recommendations- The group was unable to discuss this item due to the limited time left in the meeting. Carol started a preliminary list of recommendations asking the member to review and send to her their responses and recommendations. Lanetta Cooper passed out her recommendations list to the group and asked the members to review.

BRIEFINGS & REPORTS

5. Austin Energy staff update on the weatherization program job status-staff shared handouts with status of homes weatherized to date. Tim asked Ronnie Mendoza, Manager of Customer Care, to provide information regarding multifamily CAP customers. The information is to be provided at the next meeting.

6. Status of data requests- data requested from staff would be presented at the next meeting.

7. 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 given by the sub-committees.

FUTURE AGENDA ITEMS

8. Discussion regarding future agenda items including a schedule of topics and issues during briefings and citizen communications- Carol informed that the Task Force needed to submit their final recommendations before the April 1 report. Carol would send a preliminary list and members could make edits. The members would have a deadline to email their recommendations to Carol by March 19th. The next regular meeting agenda would include recommendations discussion and a report on weatherization.

ADJOURNMENT—Carol adjourned the meeting at 11:18 am with no objection.