
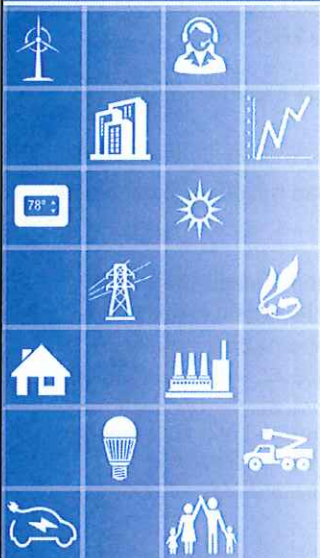


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3. OLD BUSINESS
b. Discussion and possible action on low and low moderate income energy efficiency programs

Austin Energy
Weatherization Program
Low Income Consumer Advisory Task Force
April 10, 2015

CLEAN, AFFORDABLE, RELIABLE ENERGY AND EXCELLENT CUSTOMER SERVICE

AE Weatherization

FY2014 - 2015:	FY2015 - 2016:
<ul style="list-style-type: none"> Received CAP potential clients in February 	<ul style="list-style-type: none"> Receive CAP potential clients list in August in prior year
<ul style="list-style-type: none"> Limited staff 	<ul style="list-style-type: none"> Shared staff with other EES areas
<ul style="list-style-type: none"> Strategic partnerships with HRC, AWU and TX Gas 	<ul style="list-style-type: none"> Enhanced partnerships and communication with other community agencies
<ul style="list-style-type: none"> JOC contracts 	<ul style="list-style-type: none"> Simplified AE Purchasing contract in progress
<ul style="list-style-type: none"> Only nine WX contractors to perform work 	<ul style="list-style-type: none"> With new contract the hope is to increase the number of contractors
<ul style="list-style-type: none"> Use of temporary workers to increase capacity 	<ul style="list-style-type: none"> Extension of temporary workers to staff spending of carry over and current year budget

2



AE Weatherization

FY2014 - 2015:

- Average kW/home deemed value
- Revolving loan based on credit score
- Measures based on home assessment
 - Window AC via contractor
 - » Window and AC units not working

FY2015 - 2016:

- Deemed value based on measures installed
- Revolving loan based on lower credit score
- Pilot expanded measures such as noted below based on Priority List
 - Via voucher/rebate installation
 - » Window AC – bulk purchase unit
 - Window and AC units not working or in poor condition with minimum age
 - » AC and duct repair – DSC Priority List

3



2015/2016 Approach - Priority List

Priority 1	Target Population	CAPEDU Participants CAPEDU Waitlist Participant
	Usage Requirements	Usage of 3 months \geq 2,500kWh in the last 12 months
	Premise Requirements	Home site value \leq \$250,000 Square footage \leq 2,000 Single family homes, duplexes, fourplexes, townhomes, and some condos Debt \leq \$5,700
	Household Requirements	Households with small children (under the age of 6) Households with elderly resident (over 60 years of age) Households with a disabled resident Completion of education class
	Goal: Get low-income customers to spend less than 17% of their annual income on residential energy cost.* Energy efficiency rating of equipment should be above the current federal minimum standards.	
	Weatherization Methods	
	Health & Safety	Efficiency & Savings
	<ul style="list-style-type: none"> • Combustion Appliance Inspection • Smoke Detectors • CO Monitors 	<ul style="list-style-type: none"> • CFL Light bulbs • Air Duct Replacement • *Two Window Units • Solar Screens • Weather Stripping • Attic Insulation • Minor Home Repairs Related to Energy Conservation Measures

*When qualified, EES is supplying one window unit for the living area and one for each occupied bedroom

*Non low-income households spend 4% of their income on residential energy cost. (US Department of Energy)

4



2015/2016 Approach - Priority List

Priority 2	Target Population	CAPEDU Participants CAPEDU Waitlist Participant
	Usage Requirements	Usage of 4 months \geq 2,500kWh in the last 12 months or Usage of 6 months \geq 1,500kWh in the last 12 months
	Premise Requirements	Home site value \leq \$250,000 Square footage \leq 2,000 Single family homes, duplexes, fourplexes, townhomes, and some condos Debt \leq \$5,700
	Household Requirements	Completion of education class
	Goal: Get low-income customers to spend less than 17% of their annual income on residential energy cost.* Energy efficiency rating of equipment should be above the current federal minimum standards.	
	Weatherization Methods	
	Health & Safety	Efficiency & Savings

- Combustion Appliance Inspection
- Smoke Detectors
- CO Monitors

- CFL Light bulbs
- Solar Screens
- Weather Stripping
- Air Duct Replacement
- Attic Insulation
- Minor Home Repairs Related to Energy Conservation Measures

*Non low-income households spend 4% of their income on residential energy cost. (US Department of Energy)

5



2015/2016 Approach - Priority List

Priority 3	Target Population	CAPEDU Participants CAPEDU Waitlist Participant
	Premise Requirements	Multi-Family Dwellers
	Household Requirements	60% of residents at multi-family property are eligible for CAPD Completion of education class
	Goal: Get low-income customers to spend less than 17% of their annual income on residential energy cost.* Energy efficiency rating of equipment should be above the current federal minimum standards.	
	Weatherization Methods	
	Health & Safety	Efficiency & Savings
	• Smoke Detectors • CO Monitors	• CFL Light Bulbs • Solar Screens • Weather Stripping • Minor Air duct Repair/Sealing • Attic Insulation • Minor Home Repairs Related to Energy Conservation Measures

*Non low-income households spend 4% of their income on residential energy cost. (US Department of Energy)

6



Approaches under Consideration: Texas Gas Voucher

Registration Process

Contractors:

- Register with TGS
- Provide proof of general liability insurance
- Provide documentation of required license

Completion of Work Process

Customers:

- Select contractor from TGS approved list
- Contacts the contractor to perform the work
- Complete agreement

Contractors:

- Applies for TGS Voucher and completes the work
- Submits invoice to TGS

7




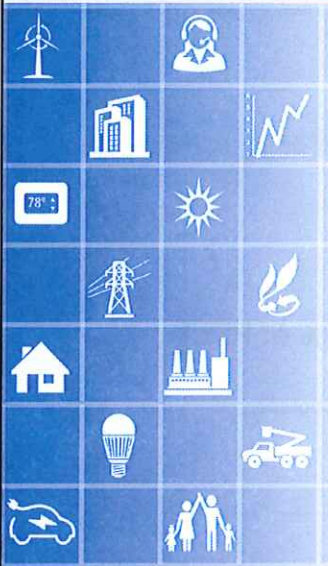
Approaches under Consideration: Bulk Purchase

- Approach used in the past by AE

Advantages	Disadvantages
Reduce purchase price	Increase cost of storage, staff duty of maintaining inventory
Assurance of unit availability	Depletion of warranty as it starts at the time of purchase even if in storage

8



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3. OLD BUSINESS
c. Discussion and possible action on Velocity loan options and alternatives as related to energy efficiency programs

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Low Income Consumer Advisory Task Force
April 10, 2015

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Current Approaches: Velocity/AE Loans

Loan and Rebate

- Traditional Loan
- 5.99% increases with lower credit scores
- FICO 680
- Velocity received credit application and approves
- Velocity services loan

Better Buildings funds as Loan Loss Reserve (LLR)

- 3.99% WAC
- Credit Scores (FICO > 640) DTI > 50%
- Credit requirements adjustable
- If LLR repays loan on default, loan shown as 'paid in full'



Approaches Under Consideration: Expand Loan Loss Reserve Usage

Low Income (less than 200% FPL)

Qualifying criteria:

- Replace central AC and other energy efficiency upgrades
- Credit scores of 480 and above

Loan:

- Up to \$5,000, 10 years
- AE to buy down rate 3.99% interest

Low-Moderate Income (200% and 400% of FPL)

Qualifying criteria:

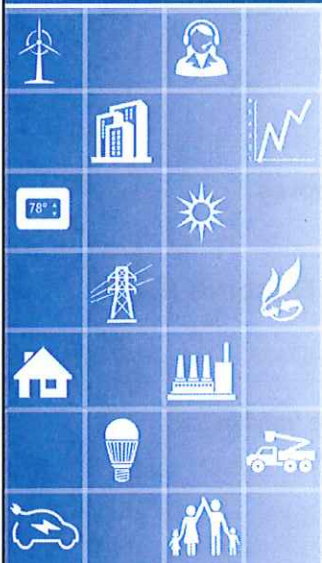
- Replace central AC and other energy efficiency upgrades
- Credit scores of 520 and above

Loan:

- Up to \$7,500, 10 years
- AE to buy down rate 3.99% interest

11

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3. OLD BUSINESS

- a. Discussion and possible action on energy efficiency and solar financing options

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Weatherization Program
Low Income Consumer Advisory Task Force
April 10, 2015

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Financial Options being Watched Warehouse Energy Efficiency Loans (WHEEL)

Program:

- Typically a statewide "sponsored" program
 - Public funds leverages 5 to 1 with Benefits from economies of scale
 - Credit Scores (FICO > 640)
 - Debt to Income (ratio > 50%)
 - Consumer rates 7% to 9%
 - Contractor can buy down interest rates

Legislation:

- HB 2392 – SECO Residential Loan Program
 - 4/1/15 – Favorable vote in committee



Financial Options in Process: Property Assessed Clean Energy (PACE)

Initiating Pace Option:


- Travis County 1st in Texas

Program Administration:

- Keeping PACE in Texas working with Travis County

Options:

- Available for multifamily and commercial
- HUD has issued PACE guidance for multifamily
- Private funding model with property owner chooses lender


**Financial Options in Process:
Property Assessed Clean Energy (PACE)**

Advantages:


- Loans from \$500k to \$750k in 4.0% to 5.0% range with longer repayment terms
- Does not require personal guarantee from owner
- Higher loan to value ratios than traditional loans
- Off book transaction

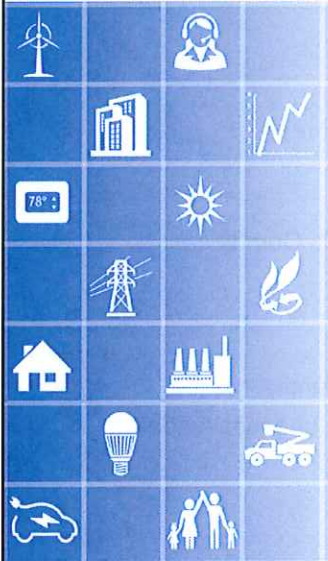
Potential Projects:

- Some multifamily properties have expressed interest
- Optimistically, first PACE may close within 60 days

Potential Schedule:

- Typical measures include HVAC/Lighting/PV

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5. BRIEFINGS & REPORTS

a. Austin Energy staff update on the weatherization program job status

Austin Energy
Weatherization Program
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AE Weatherization

Referrals			Unscreened	Screened			
Referrals	Duplicates	Loaded to SF	Homeowners & Renters	Unable to Serve	Unable to Contact	Able to Serve	Total Screened
11,290	2,037	9,253	6,577	1,799	249	630	2,678

AE Weatherization Report Fiscal Year 2015

As of 04/8/2015

AE Weatherization Contractors	Assessments Completed	Homes in process Weatherized	Inspections Passed	Inspections Failed	Homes Completed and Invoiced	Amt Obligated YTD	Amt Paid YTD
Airtech	21	2	9	4	13	\$51,270.34	\$28,720.24
American Conservation	36	5	22	3	28	\$108,372.93	\$56,862.42
American Youth Works	18	6	5	1	12	\$40,020.72	\$9,893.82
City Conservation	41	8	28	6	38	\$127,651.81	\$83,930.56
Climate Mechanical	19	4	7	6	17	\$66,274.37	\$6,452.49
Conservation Specialist	19	3	15	0	18	\$69,470.55	\$51,156.53
Go Green	43	5	29	3	37	\$121,092.88	\$66,622.19
McCullough	33	7	14	1	21	\$83,987.90	\$42,971.83
Valdez	22	5	7	2	15	\$44,098.39	\$14,848.56
	252	45	136	26	199	\$712,239.89	\$361,458.64

*Note: 630 potential clients have been assigned. Some of the assigned includes some Unable to Serve/Unable to Contact Status.

**Note: Approximately 500 rental agreement letters have been sent to gain landlord approval



Progress Report

Efforts to enroll additional customers

Renters


- 2,388 Customers identified as renters
 - 500 Landlord Approval Letters sent
 - Letters developed in bilingual format

Unable to Contact

- 250 Customers
 - Letter is being drafted
 - Explains and offers program in bilingual format
 - Shares previous efforts to contact customer

Potential Clients

- Effort to decrease non-responsive customer leads
 - Only confirmed customer leads are now forwarded to contractors





Progress Report

Partnerships with COA and community agencies


- **AE continues to administer program**
 - for Austin Water Utilities
- **AE continues to provide weatherization services**
 - Texas Gas Services
 - Housing Repair Coalition via LWRAP
 - Other agencies
- **AE coordinates with other city departments**
 - Health & Human Services
 - Austin Water
 - Purchasing
 - Neighborhood Housing
- **AE works with community**
 - Low Income Advisory Task Force
 - Discount Steering Committee
 - Small Minority Business
 - Community Network of 35 Non-profit Partners

19

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Thank You!

20

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