

## Follow up to Questions from February 27 LICATF Presentation

### 1. How do we obtain enough qualified customers to spend the budgets on an annual basis?

AE Weatherization works with various departments, non-profits and self-nomination in order to obtain possible program participants. This includes customers qualified per the AE Customer Assistance Program criteria, referred by Home Efficiency Assistance Program (partnerships with Austin Water and Texas Gas), the Housing Repair Coalition (numerous partners and other agencies including Housing Repair Coalition and their partners such as Meals on Wheels and More) and self-nomination.

The challenge is that from referrals there have been less than ten homes per month. In order to meet our goals, AE Weatherization needs a steady stream of qualified applicants. It has been our experience that for every home weatherized, AE needs to try and contact at least six potential clients. The reason is the home:

- Does not qualify due to the size of home exceeding 2,000 square feet or home assessment without the land value exceeds \$250,000
- Was weatherized over the last ten years
- Requires repairs outside of the scope of the program
- May not want to participate in the program
- May not be approved by the landlord to participate in the program
- Incorrect or missing contact information

For example, if our goal is to weatherize 800 homes, AE would need to have roughly 4,800 qualified applicants to review. Over the past six months, CAP with AE has Memorandums of Understanding with over 32 agencies listed below. Our goal is to expand the scope of the MOU in order to partner with these agencies for additional potential weatherization referrals. Customer Care would draft an outline of the process of engaging the agencies and the addendums to the current MOUs.

#### Plus One Agencies

- AIDS Services of Austin
- Any Baby Can
- Austin Voices for Education & Youth
  - Burnet Family Resource Center
  - Dobie Family Resource Center
  - Webb Family Resource Center
- Bethany United Methodist Church
- Capital IDEA
- Caritas of Austin
- Catholic Charities of Central Texas
- David Chapel Missionary Baptist Church (Benevolence Fund)
- Foundation Communities
- Foundation for the Homeless
- Front Steps, Inc.
- Goodwill Industries
- Greater Mt. Zion Baptist Church
- Hospice Austin

- Housing Authority of the City of Austin
- LifeWorks
- Meals on Wheels and More
- Refugee Services of Texas, Inc.
- Sacred Heart Parish
- SafePlace
- Saint Louise House
- Saint Mary Cathedral
- St. Albert the Great Catholic Church
- St. Austin Catholic Church
- St. John Neumann Catholic Church - SVDP
- St. Louis Catholic Church - SVDP
- St. Paul's Catholic Church-SVDP
- Society of St. Vincent de Paul
- Student Emergency Services – UT Austin
- Texas VFW Foundation
- Travis County Family Support Services Central (Palm Square)
- Travis County Family Support Services Del Valle (South Rural)
- Travis County Family Support Services Jonestown (Northwest Rural)
- Travis County Family Support Services Manor (East Rural)
- Travis County Family Support Services Oak Hill (West Rural)
- Travis County Family Support Services Pflugerville
- Travis County Family Support Services South (Post Road)
- University Avenue Church of Christ – Christian Student Center
- UPLift-University Presbyterian Church

## 2. How are homes selected?

Currently, Solex provides a list of qualified CAP participants that are batched based on ZIP Code. This:

- Reduces lost drive time
- Increases ability to schedule multiple units

Other referred occur from self-nomination and other organizations. In our partnership with the Housing Repair Coalition and its members including Meals on Wheels and More, Habitat for Humanity, Austin Water, Texas Gas, Neighborhood Housing, Health and Human Services, homes that require weatherization will be emailed 3 days in advance of the homes they are working with that require weatherization. HRC completes 250 homes per year with only a percentage requiring weatherization. Customer care then further refines the list based on energy usage and TCAD data. The AE EES Scheduler will coordinate joint assessments. A cross city agency team has formed to document the process and identify synergies.

Future methods may incorporate the model used by Jacksonville Electric Authority:

- Target high density poverty population area
- Use of a 3rd party affiliate to provide:
  - CFL's, aerators, filters, weather stripping, client education and an evaluation of the homes.
- Homes requiring weatherization will have eligibility confirmed

Results:

- High impact in low income neighborhoods
- Qualified homes receive weatherization services
- Increase efficiencies

**3. Would AE consider repairing AC rather than replacing?**

The AE Energy Efficiency Services (EES) will continue to review best practices and opportunities for all of the demand side management programs. During the AARA stimulus grant period, \$9.3 million was provided for low income weatherization to be spent in two and half years. This also paid for several additional staff. Going forward, AE budgets and the measures are to be in alignment with those efforts that have the greatest impact of assisting as many low income customers within budget while reducing demand. This is the goal of demand side management programs as determined by Council. Based on the data of homes in which HVAC units were repaired or replaced by AE in the past couple of years, replacement and repairs are not as effective as other measures in reducing energy consumption. Measures will continue to be reviewed on an ongoing basis. Austin Energy EES is considering a pilot voucher/rebate approach that would provide repairs to the medically vulnerable customers as documented in the CC&B system.

For non-weatherization programs, portfolios are selected that are less than the cost to build new generation and pass the Total Resource Cost test. The low income programs do not pass the TRC and greatly exceed the cost of building new generation and market rates by several times. In the case of HVAC, considering the amount of energy reduction and therefore bill savings by the tenant takes two to three times the life expectancy of the equipment resulting in a poor ROI. A similar case occurs with refrigerators. With the increase of manufacturers' efficiency requirements, the amount of savings on refrigerators that are less than 13 years old is minimal.

**4. What are the criteria for the window AC units?**

The CAP Discount Committee has proposed a guideline for providing window AC units. This included the elderly, children under six and those medically vulnerable. Currently, EES does not have all of the data associated. Qualified measures provided low-income customers were based on the needs of the home. EES has been assessing situations and is currently installing window AC units in occupied bedrooms and the living room. This is currently being completed by the existing Weatherization Contractors. Research is in process of the advantages and disadvantages of bulk purchase or use of a voucher/rebate.

**5. Why 2,000 Square foot requirement?**

In 2013, the CAP Discount Steering Committee in collaboration with AE worked on determining the best square footage for our customer base. As CAP participation is automatic, several of the homes exceed

4,000 square feet. The DSC used census data for the areas with higher poverty zip levels to determine the median square footage associated.

Based on this, focus was placed on median size home (2,000 square feet or less). In addition, high usage is considered.

**6. How many HVAC and furnaces were found to be not working in 2014?**

In 2014, AE and Texas Gas replaced nine units that were not working.

**7. How is AE Weatherization working with other agencies and organizations?**

- Each organization has their areas of expertise and funding sources. AE has created a funding source of \$1 million per year for installing the measures for low income weatherization through the Customer Benefit Charge. AE uses existing staffing that is shared with other DSM programs to implement. The staff has several certifications for building sciences and years of experience with energy efficiency efforts. AE has funded and staffed this program since 1982.
- AE provides administrative support to Austin Water and referrals for Texas Gas without any fees. Austin Water provides Neighborhood Housing a 15% admin fee to implement the water programs outside of the AE Weatherization program. Neighborhood Housing is funded primarily from grants. They are in the process of documenting the dates of when the grants expire. Many of the homes receive services available through the different grants. We are working together to identify how many unique customers have been served from the grants and AE Weatherization.
- Over the years, AE has established several partnerships and exchanging of referrals with Austin Water, Texas Gas, the Housing Repair Coalition and various non-profit agencies. We also have ongoing meetings to create greater synergies, communication and process improvements. Meetings are held with AWU, HHS, Purchasing, Neighborhood Housing, Small Minority Businesses, the CAP Discount Steering Committee which includes Any Baby Can, Meals on Wheels and More, Texas VFW, Travis County Family Services, etc., in addition to the LIACTF. We continue to look for synergies and ways to identify the energy and demand savings from the measures. Currently, AE and AWU are the only agencies tracking the results of the work completed. Other agencies are considering to complete in the future.

**8. How can the maximum amount of demand reduction occur in a home?**

- There are several opportunities for the home owner to reduce their energy consumption behavior, awareness of usage using the AE residential app and tier alerts, and Power Saver volunteers are a few.
- Additional opportunities would include participating in the demand response program, utilizing programmable thermostats, performing maintenance on equipment, etc. Aligning the opportunities is very beneficial to our customers.



**9. How do we target high energy users?**

The initial list provided by CAP focuses on the higher users.

**10. When is the RFP being released?**

- On Monday, the RFP was put out to bid. Our goal is to have more contractors in order to complete more homes. We hope to have the contract in place by June 2015 when the other contract expires. If not, AE will not be able to hire contractors to weatherize any more homes until available. This is a crucial item in order to continue to provide weatherization services.

**11. Has AE considered using a voucher system similar to Texas Gas?**

- Yes. TX Gas has shared their process and we are proposing to utilize a similar approach later this year.
- In 2014, Texas Gas issued nine vouchers for furnaces that were not working.
- The approach is that the Request for Proposal for Weatherization Contractors to be bid spring 2015 is to have the basic components of weatherization: CFLs, insulation, window AC, low flow water devices. For potential future scope items we are considering using a voucher system similar to Texas Gas or the issuing of bulk purchases.

**12. Can we provide the rebate direct to the contractor?**

Yes. This approach is currently utilized in the Home Performance program.

**13. What is the AE budget and actual expenditures since 2012?**

- Oversight for the CAP Weatherization funds is provided by the Discount Steering Committee. This along with the energy efficiency Customer Benefit Charge is tracked separately.

AE Customer Benefits Charge Weatherization							
CAP				EE			TOTAL
	Authorized Budget	Spent	Difference	Authorized Budget	Spent	Difference	Spent
2012	\$0	\$0	\$0	\$849,850	\$598,003	\$251,847	\$598,003
2013	\$1,000,000	\$75,728	\$924,272	\$849,850	\$477,567	\$372,283	\$553,295
2014*	<u>\$1,000,000</u>	<u>\$1,374,646</u>	<u>(\$374,646)</u>	<u>\$850,000</u>	<u>\$507,000</u>	<u>\$343,000</u>	<u>\$1,881,646</u>
Totals	\$2,000,000	\$1,450,374	\$549,626	\$2,549,700	\$1,582,570	\$967,130	\$3,032,944

\*2014 unaudited values

