

## Recommendation Number \_\_\_\_\_

**Recommendation for Contractor Rebates in conjunction with affordable housing projects**

**Recommendation:** In lieu of a stand-alone low income weatherization energy efficiency program approach, a residential low income weatherization rebate program should be implemented in conjunction with the affordable housing programs administered by the City's Neighborhood Housing and Community Development department to obtain efficiencies of scope and to obtain greater demand and energy savings. The provision of energy efficient appliances through bulk purchasing would be part of this program. *explored as*

**Targeted Underserved Group:** Low income Homeowners with Incomes between 0 and 250%% of the Federal Poverty Guideline or who qualify for an affordable housing program administered by the City's Neighborhood Housing and Community Development department.

**Time Schedule:** ~~Implement in 2016.~~

**Brief Description:** Provide rebates to contractors on AE's list of eligible energy efficiency contractors for performing weatherization services and installing energy efficiency appliances purchased in bulk by AE as part of a customer's participation in an affordable housing program.

**Community Need:** According to the January 2015 Updated Energy Burden Tables for Austin Energy, 28% of all residential customers have family incomes between 0 and 200% of the Federal Poverty Guideline.<sup>1</sup> Low income consumers do not have the disposable income to obtain weatherization services nor to purchase energy efficient appliance that would provide demand and energy savings to Austin Energy as well as bill savings to the low-income households. During the task force process, comments were presented by nonprofit service providers that the current program is cumbersome for the service providers and the clients obtaining home repairs though the providers work with the home repair coalition.<sup>1</sup>

**Program Description:** When a home is evaluated for participation in an affordable housing program, ~~it will also be evaluated in conjunction with~~ the applicant's participation in AE's weatherization program. If eligible, the residence will also receive an energy audit to identify energy efficiency improvements that can be made through the weatherization program. Instead of referring a client to the weatherization program after the completion of an affordable housing program project, the weatherization services and appliance installations provided by the Austin Energy rebate program would be incorporated into the home repair process. This allows for more contractor efficiency and should streamline the permitting process and reduce program cost. Just as in AE's home performance with energy star program, an AE employee/agent would certify what weatherization measures qualify for the

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<sup>1</sup> Memorandum from Liz Jambor, EdD, Manager, to Low Income Consumer Advisory Task Force 01//5/15.

rebate and would inspect the residence after the repairs are done to ensure the weatherization measures were properly completed before the contractor is paid by rebate.

Rebates would be set to recover the contractor costs in performing the weatherization services and would be paid directly to the weatherization contractors; however, the contractor costs would be standardized consistent with the contractor pricing for plumbing repairs performed as part of the City of Austin's home repair program that is reimbursed by the water department. Contractors certified by AE to perform weatherization services for the home performance with Energy Star EE programs would also be eligible to participate in this rebate program. Energy and demand savings would be calculated based on the condition and energy usage of the home prior to and after the completion of all home repair and weatherization work. This will capture the energy and demand savings not reported today that result from home repairs which make the home "weather tight", a prerequisite for implementation of AE's low income weatherization, thereby acknowledging the energy and demand savings realized from the home repairs funded with public monies.

This program would have the same components as the low income weatherization program, the difference being the delivery of the services from a greater pool of contractors and making payments to contractors through rebates as opposed to contractual payments. Moreover appliances to be purchased for this program would be bulk purchased to achieve economies of scale.

**Budget:** There are two funding components to this proposed program:

1. Funding for rebates.
2. Funding for bulk purchases of appliances.

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<sup>i</sup> Discussion Panel, Low-Income Consumer Advisory Task Force meeting January 16, 2015, Jesse Porter, Habitat for humanity, Charles Cloutman, Meals on Wheels and More and Housing Repair Coalition.