



LOW INCOME CONSUMER ADVISORY TASK FORCE

Council Resolution No. 20140828-158

REPORT TO ELECTRIC UTILITY COMMISSION

November 16, 2015

Carol Biedrzycki

MEMBERS

- Carol Biedrzycki, Chair
- Timothy Arndt, Vice Chair
- Lanetta Cooper
- Karen Hadden
- Richard Halpin
- Dan Pruett
- Cyrus Reed
- Chris Strand (Minority Report)
- Michael Wong (Minority Report)

Targeted Groups

- **Low-Income** is defined as having a household income under 200% of Federal Poverty Guidelines (FPG)
 - Family of four with income $<$ or $=$ \$47,700
 - 28% of AE customers
- **Low-Moderate** income is defined as having a household income at 201 to 400% of FPG
 - Family of four with $>$ \$47,700 but $<$ or $=$ \$95,400
 - 38% of AE customers

Targeted Groups

- **Renters** 54.9% of all households
 - 32.8% had a household income <\$25,000
 - 63.9% had a household income < \$50,000
- **Homeowners** – 45.1% of all households
 - 22.2% had household income < \$25,000
 - 46.8% had household income < \$50,000



FAMILY BUDGETS

What does a 2 working adult, 2 child family in Austin-Round Rock-San Marcos need to get by?

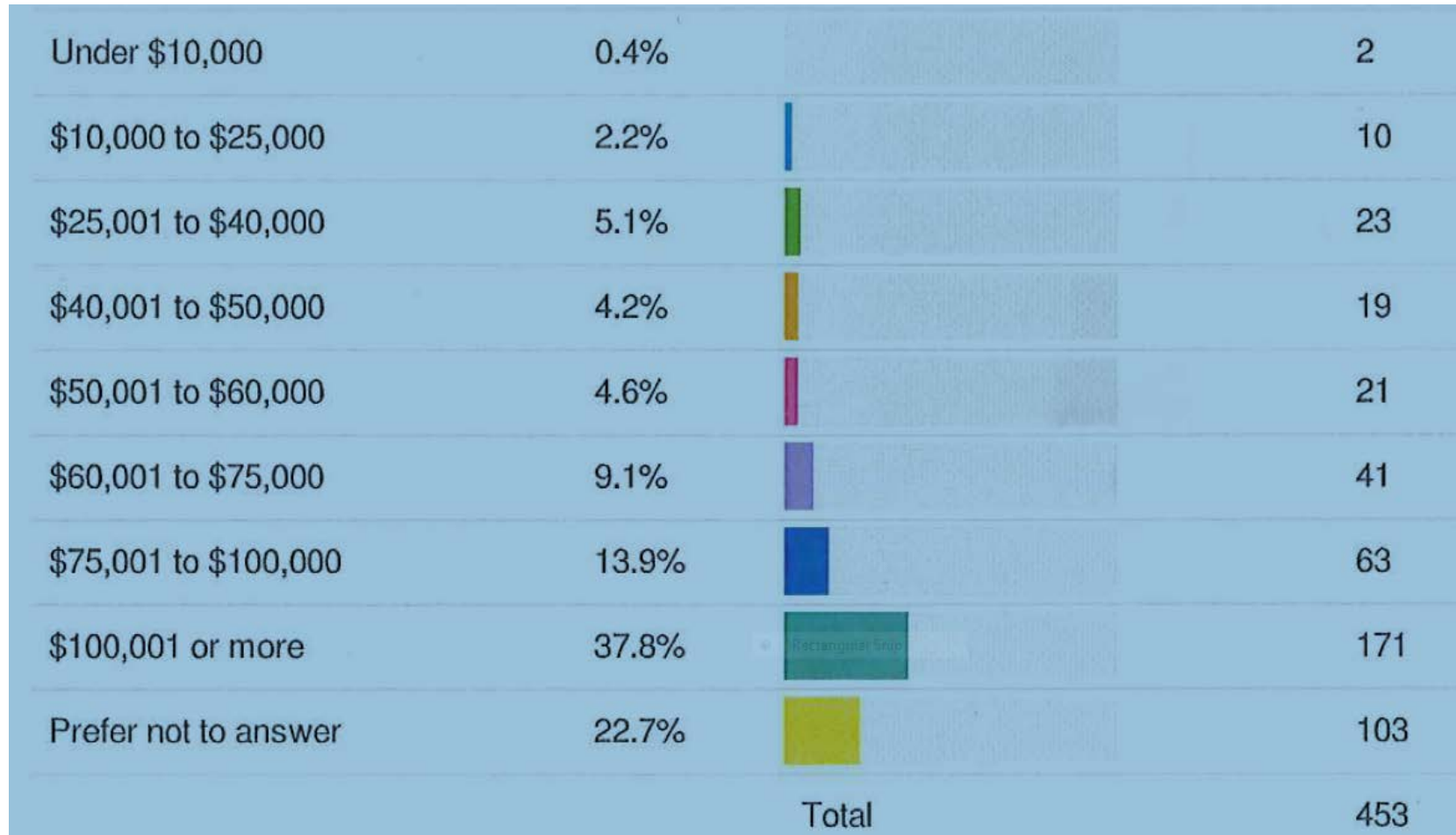
Combined hourly wage needed for two-adult household	\$31.51	i
Necessary Annual Income	\$63,012	i
Percent of Austin-Round Rock-San Marcos jobs that don't pay enough for this family to reach the necessary annual income	40%	i
How much bigger is their necessary annual income than poverty?	2.8x	i
How much bigger is their necessary annual income than poverty?	2.8x	i

Task Force Research Challenge

- Lack of reliability and consistency of participation data.
- No survey data for multi-family properties.
- Income data does not take family size into account.
- Weatherization program is only one certain to reach low-income customers.

Residential Customer Rebate Program

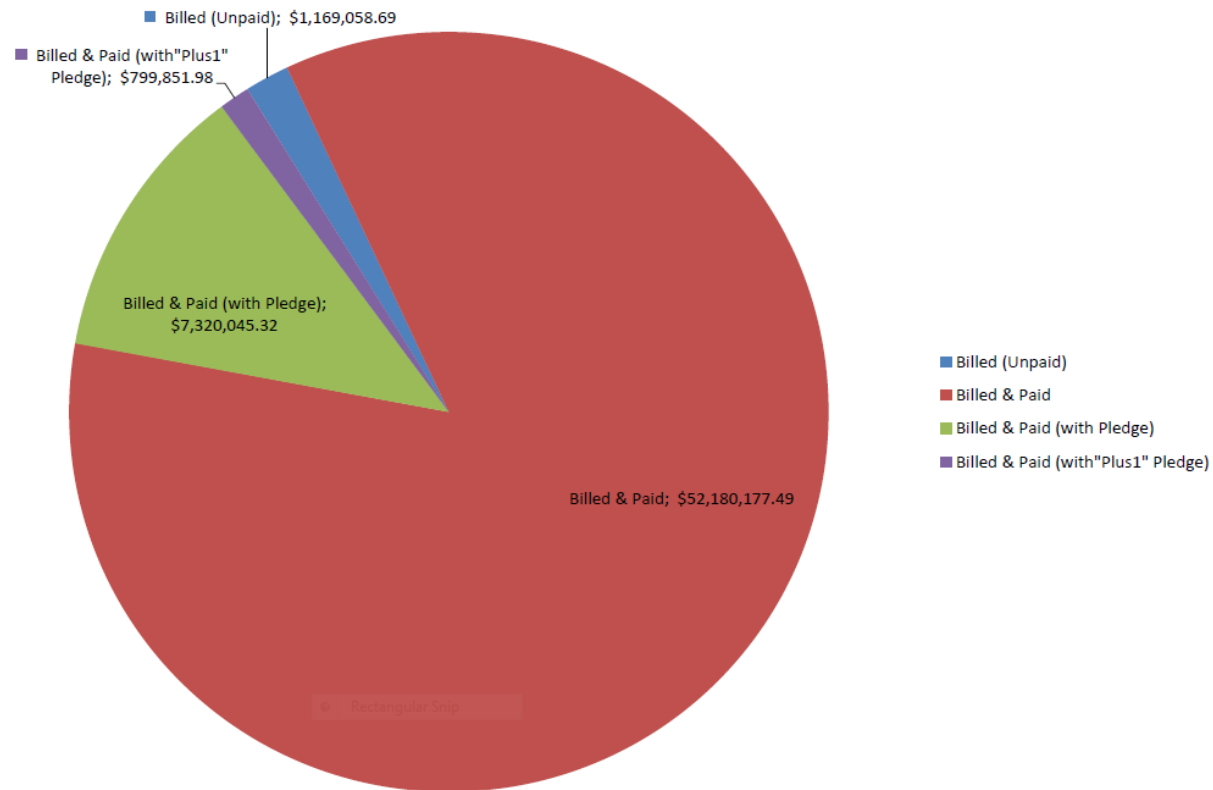
August 2015



97.6% own residence where improvement completed.

90.9% single family homes

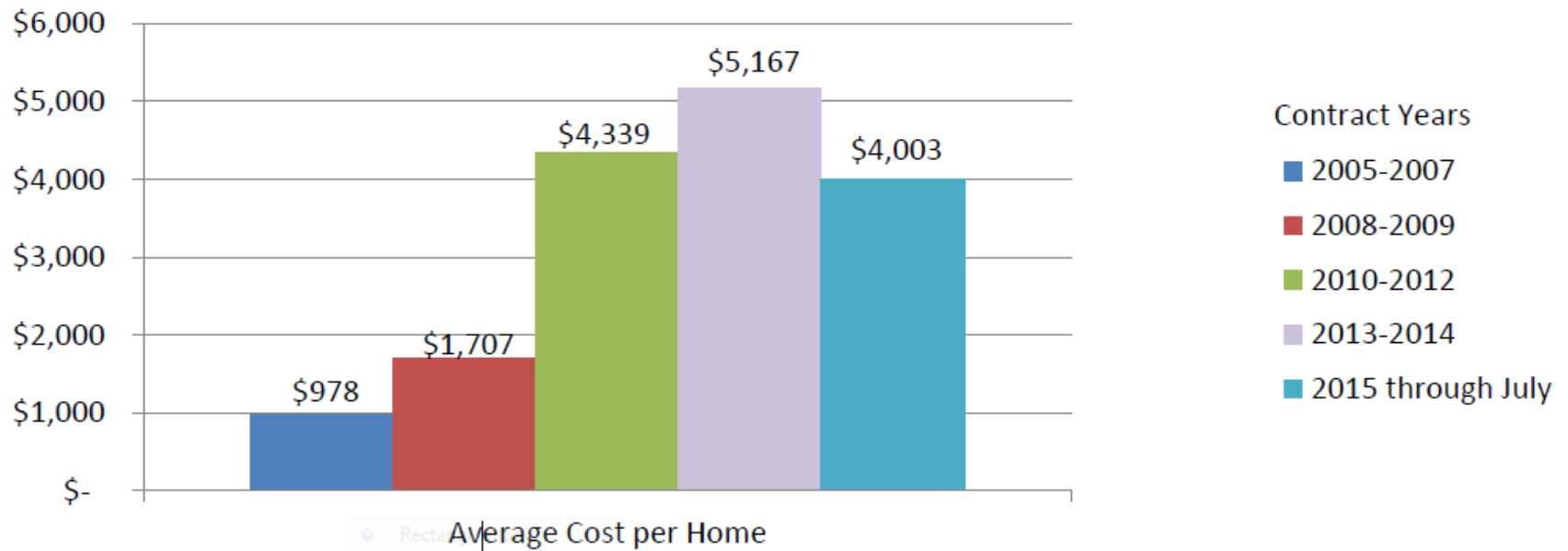
CAP Customers FY2014 – Amounts Billed vs Paid



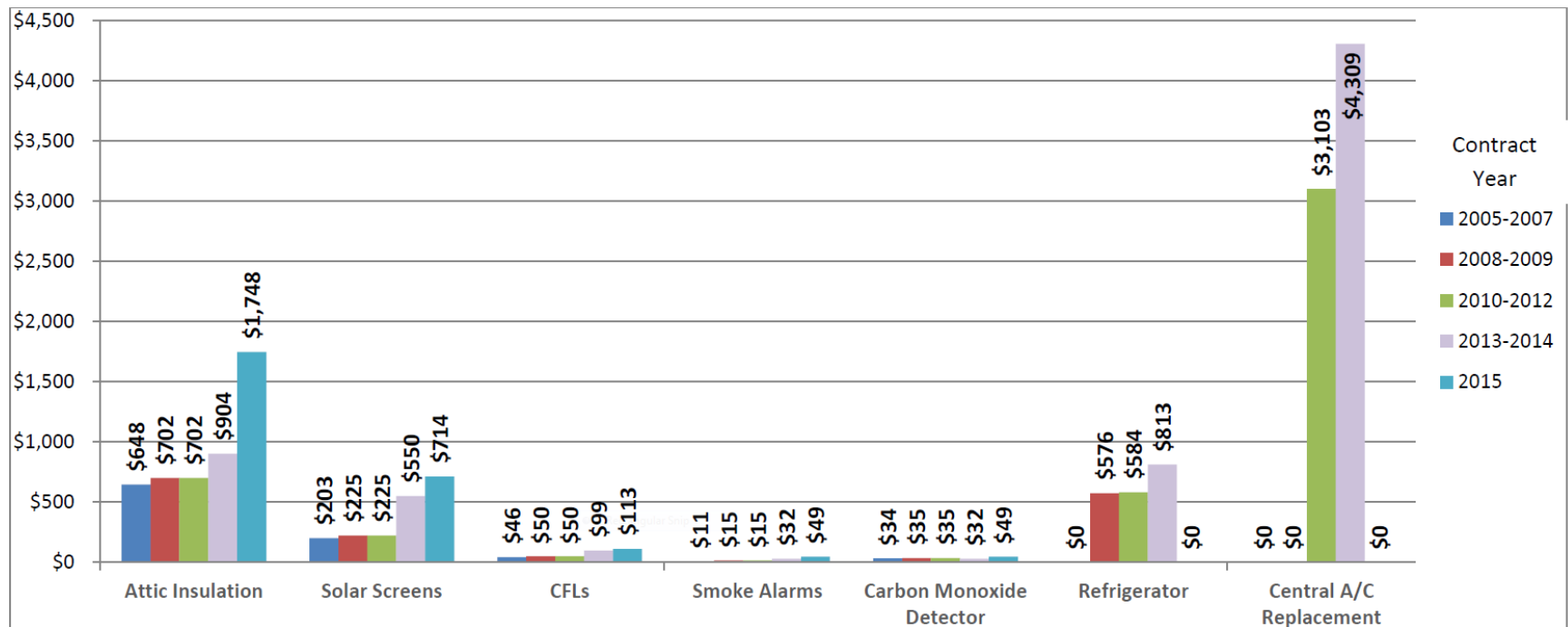
Estimated Amount Target Groups Paid for Energy Efficiency Programs in 2014

Income Group (% of Federal Poverty Guidelines)	Number of Households	Range of Contribution to Energy Efficiency Services (\$million)
0 to 200	118,241	\$4.5 to \$5.0
201 to 300	64,000	\$2.4 to \$2.7
301 to 400	53,900	\$2.0 to \$2.4
Total	236,141	\$8.9 to \$10.1

Austin Energy Weatherization Program Average Cost Per Home (2005-2015)



Weatherization Measure and Labor Cost (2005-2015)



Recommendations

- ★ Under consideration by Austin Energy.
- ? Question current status as noted in Austin Energy's Response to Low Income Consumer Advisory Task Force Recommendations, Nov. 10, 2015.
- Not being considered by Austin Energy.

Recommendations - Goals

- ★ Adopt the sustainability office's triple bottom line evaluation that looks at the impacts on people/equity, prosperity/economy and planet/environment. The cost effectiveness test Austin Energy uses only measures peak kilowatt demand reduction based on the cost of building a new power plant. (See Task Force Final Report at p. 19.)
- ? Adopt overall energy efficiency program goals and goals specific to low income programs. (See Task Force Final Report at p. 30.)
- Establish an annual minimum energy savings target of one percent of total energy sales. (See Task Force Final Report at p. 15.)
- Set an annual demand savings goal for programs targeting low and low-moderate income customers of no less than 5% of the utility's peak demand savings and raise the demand goal by 1% per year up to 10%. (See Task Force Final Report at p. 17.)

Recommendations - Budget

- ★ Roll over to the next budget year all unspent Energy Efficiency Services (EES) low-income weatherization funds, specifically reserved to low income customers since the Customer Benefit Charge (CBC) tariff went into effect. (See Task Force Final Report at p. 32.)
- Spend a minimum of 25% of the Energy Efficiency Services budget on programs that help low and low moderate income residential customers, with at least 10% of the Energy Efficiency Services budget dedicated to the free weatherization program. Furthermore, At least 15% of the total distributed solar budget for new projects should be dedicated to projects that benefit low and low moderate income customers. (See Task Force Final Report at p. 18.)
- Utilize at least 50% of Austin Energy's multi-family budget to incentivize energy efficiency retrofits on multi-family properties that receive affordable housing subsidies from the federal, state, city, or county government or properties where housing choice vouchers are accepted as a form of payment or customers qualify for the Customer Assistance Program bill discount for at least 30 percent of the units. (See Task Force Final Report at p. 48.)

Recommendations- Weatherization

- ★ Create a residential low income weatherization rebate pilot program in conjunction with the affordable retrofit housing programs administered by the City's Neighborhood Housing and Community Development department. (See Task Force Final Report at p. 40.)
- ? Investigate operating practices that could potentially increase the cost effectiveness of the low income weatherization program while maintaining all program services and standards. (See Task Force Final Report at p. 33.)
- ? Make Energy Star window unit air conditioners the standard air conditioning application in the low income weatherization program and to include under limited circumstances, repair and replacement of central air conditioners. (See Task Force Final Report at p. 36.)
- Expand income eligibility to low income customers whose household incomes are 250% of Federal poverty Guidelines or less as qualified by the City of Austin Health and Human Services Department. (See Task Force Final Report at p. 36.)

Recommendations – Multi-Family

- ★ Amend the ECAD program to establish an award or official recognition that the multi-family facility is in the 20% of energy efficiency based on the energy efficiency rankings. (See Task Force Final Report at p. 50.)
- ★ Establish a policy and ability within the Austin Energy billing system to allow for fractional division of value of solar credits from a distributed solar system on a multifamily residential property to be divided and applied to multiple residential customer accounts. (See Task Force Final Report at p. 47.)
- ? Make the results of ECAD audits and disclosure forms for multi-family properties available on the city's website. (See Task Force Final Report at p. 49.)

Recommendations – Multi-Family

- Condition an applicant's financial approval from Austin Housing Finance Corporation with seeking energy efficiency services from Austin Energy including solar for new and/or substantial rehabilitation construction. Higher rebates should be considered for these applicants. (See Task Force Final Report at p. 52.)
- Develop a plan for fully enforcing the entire ECAD ordinance, especially for those multi-family facilities whose electric cost is 150% of average electrical cost, and should present that plan to the Electric Utility Commission, the Resource Management Commission and the City Council for approval. Austin Energy should include funding for full enforcement of ECAD, according to the approved plan in its FY 2017 budget proposal. (See Task Force Final Report at p. 51.)

Recommendations-

Operations and Reporting

- ★ Use a universal application form and referral process (i.e., no wrong door system) for the city departments that provide services to low and low-moderate income customers based on income eligibility. (See Task Force Final Report at p. 34.)
- ? Report energy efficiency programs transparently and consistently including operations and maintenance costs, separately stating customer assistance program funds and tracking data including pre- and post-installation billing by program, by city council district and reporting monthly, quarterly and annually. (See Task Force Final Report at p. 21.)
- ? To reconcile any over or under recovery of the utility's energy efficiency revenues, establish a true up proceeding for the energy efficiency rates within six months after the close of each fiscal year. (See Task Force Final Report at p. 26.)
- ? Update base energy codes and improve collaboration of city departments. (See Task Force Final Report at p. 27.)

Recommendations- Alternative Programs

- ? Create a no cost program to provide Energy Star window heating and/or cooling units including installation to low income customers who are certified by the medically vulnerable registry. (See Task Force Final Report at p. 42.)
- Create a residential energy efficiency program to provide low interest financing for Austin Energy customers with low to low moderate family incomes to purchase and install energy efficient heating and/or cooling units. (See Task Force Final Report at p. 43.)
- Create or amend the current residential energy efficiency loan program to enable low and low moderate income homeowners to weatherize their homes and purchase energy efficient cooling and/or heating appliances. (See Task Force Final Report at p. 45.)
- Allow for repayment of third party funded energy efficiency retrofits on a customer's monthly bill. (See Task Force Final Report at p. 38.)

Items for Future Consideration

- Continue the work of the Task Force through a new entity representative of the 10-1 Council. (See Task Force Final Report at p. 53.)
- Expand the scope of the ECAD ordinance to cover rental properties with 1 to 4 units. (See Task Force Final Report at p. 53.)
- Amend the multi-family program to better increase the efficiency of air conditioners in rental properties. (See Task Force Final Report at p. 54.)
- Better promote a free energy audit to renters that experience high bills. (See Task Force Final Report at p. 55.)

Items for Future Consideration

- Explore avenues for increasing funds for incidental repairs made in conjunction with the weatherization program. (See Task Force Final Report at p. 55.)
- Consider a One Stop Weatherization Process. (See Task Force Final Report at p. 56.)
- Investigate how energy efficiency and renewable energy programs that serve low and low-moderate income consumers help Austin Energy comply with EPA's Clean Power Plan. (See Task Force Final Report at p. 57.)
- Consider how to design Community Solar programs to benefit low and low moderate income residential ratepayers. (See Task Force Final Report at p. 57.)

NEXT STEPS

- Champion recommendations for immediate implementation including
 - Triple bottom evaluation
 - Weatherization cost reduction study
 - Rebate pilot project in conjunction with affordable housing projects
 - More accurate survey of income and family size in all programs including multi-family properties
 - Implement fractional billing

NEXT STEPS

- Recommend council adoption of the Task Force Report with emphasis on