


MEMORANDUM

TO: ELECTRIC UTILITY COMMISSION
FROM: Carol Biedrzycki 
DATE: December 15, 2015

SUBJECT: Review of Low Income Consumer Advisory Task Force
Recommendations

At the EUC meeting held on December 14, 2015 we quickly agreed to a process to respond to City Council's request for comments on the recommendations of the Low-Income Consumer Advisory Task Force with emphasis on those recommendations the utility does not support and minority report opposes.

I hope everyone has had the opportunity to read both the Final Task Force report and the minority report. I know they are a lot to read but we wanted to be sure to document our reasoning and decisions.

Attached is a list of the 6 recommendations that do not have consensus. I suggested we concentrate our limited time looking at these parts of the report where the council seems to be most interested in seeking the commissions' opinions. Please note that each recommendation is followed by:

- Page number references to the task force report. I have included those pages in this packet.
- A reference to where the issue appears in the matrix provided by Austin Energy to the EUC on December 14, 2015 under item 9. We were provided an oversized copy of this matrix at our meeting.
- The date the recommendation was adopted by the task force and the vote count.

If you would like more background information, the dates of adoption should help you to locate relevant information posted on the website. I will be happy to help locate materials but I am sensitive to the quorum issue. To locate background materials, I suggest you contact Jeff Vice or a task force member who is not an EUC member.

I wish everyone a happy holiday season and look forward to reaching a conclusion on the task force recommendations in January.

Review Packet
Low Income Consumer Advisory Task Force
SUMMARY OF RECOMMENDATIONS ADOPTED THAT ARE NOT BEING
CONSIDERED BY AUSTIN ENERGY AND/OR
ARE OPPOSED IN THE MINORITY REPORT
Prepared by Carol Biedrzycki
December 15, 2015

1. Establish an annual minimum energy savings target of one percent of total energy sales. (See Task Force Final Report at p. 15 and Austin Energy EUC 121415 –Item 9 –number 22.) (Adopted 09/04/15) Vote 7 yes, 0 no.
2. 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 and Austin Energy EUC 121415 –Item 9 – number 23.) (Adopted 09/04/15) Vote 7 yes, 0 no.

See Task Force Final Report pages 15-18.

oversight -- for the energy efficiency, demand response and solar programs.

- E. Improving building energy performance through continued improvements in building energy codes for new and rehabilitated residential and multi-family buildings, as well as through improved coordination, planning and compliance between Austin Energy, Planning, Review and Development and Code Compliance Departments.

The Task Force understands and supports the need for Austin Energy to assess the cost-effectiveness of its programs. How much on a per-participant or per-kilowatt hour saved or per-kilowatt reduced basis do the programs cost? What is the cost to the utility of the programs? How can costs, be they incentives to contractors, or administrative costs be reduced?

Programs – especially those designed to help our most vulnerable consumers –should be judged on more than narrow utility cost test criteria. Instead, the overall societal benefits should be considered, and toward this end, the Task Force recommended the adoption of a Triple Bottom Line evaluation, similar to that used by the City of Austin Sustainability Office. Thus, issues of environmental improvement, economics and equity should be considered when evaluating the successes of a program like low-income weatherization.

1. Establishing goals for energy savings.

Recommendation: Establish a minimum energy savings annual target of one percent of total energy sales through energy efficiency and demand reduction programs. In future updates to the Austin Energy Generation Plan, assess meeting this level or higher energy savings goals, subject to future budgets, affordability and other factors.

Targeted Underserved Group: All customers

Time Schedule: Implement in 2016

Budget Impact: Accomplish within current budget.

Community Need: Access to affordable electricity is a basic need for lighting, refrigeration and home cooling and heating. Inability to pay is a growing problem for low income homeowners and renters. The most effective way to provide an affordable supply of electricity for those with low and marginal income is to treat the root of the problem – old energy inefficient buildings and equipment.

Description: While peak energy use – both in the summer and winter – is extremely valuable both to customers and to the utility – the amount of energy (kilowatthours or kWh) used year-round – is equally important. Reduced kWh use can lower customers' bills, reduce operating costs such as fuel and maintenance and is the driver for reducing emissions. Having every

customer use less kWh allows a growing utility, like Austin Energy, to defer or eliminate new capital investments in power plants.

While Austin Energy unofficially maintains and reports energy savings goals, a permanent energy savings goal for Austin Energy's energy efficiency and demand reduction programs would establish that energy savings should be targeted in the long term planning process along with reduced demand. Energy savings goals are consistent with industry practice. As an example, the State of Texas requires that Investor-Owned Utilities establish and meet both a demand reduction and energy savings goal. In addition, many states require their utilities to establish an energy savings goal, usually from between a half a percent of use up to three percent of use.⁵⁵

Establishing an energy savings goal is the most effective way to assure that Austin Energy does not focus solely on demand response programs, which have little or no impact on the amount of energy Austin Energy consumers use and therefore for residential customers do little or nothing to reduce their monthly bills. Moreover, energy savings goals contribute directly to the reduction of carbon and other pollutant emissions that are reported to the Texas Commission on Environmental Quality. Energy savings are a key contributor to meeting the City's Climate Protection Plan goals and the planning for energy efficiency programs should maximize the environmental benefits of all programs.

The one-percent goal recommended here should be only a beginning. The current programs appear to have met this target in 2014. The following table shows that over the past four years kWh savings ranged from 0.92 to 1.01% of annual sales.

Table 1. Current Energy Savings by Year

Year	Total KWh Sales	Total Reported Energy Savings	% of Sales
FY 2011	12,723,303,281	117,298,000	0.92%
FY 2012	12,715,146,231	108,606,000	0.85%
FY 2013	12,270,733,600	117,198,000	0.96%
FY 2014	12,588,000,000	127,649,000	1.01%

Sources: Austin Energy, Customer Energy Solutions, Program Progress Report 2014-2015.
Austin Energy, Annual Report, 2011-2014.

⁵⁵ American Council for an Energy-Efficient Economy, Policy Brief: State Energy Efficiency Resource Standards, April 2015, available at <http://aceee.org/sites/default/files/eers-04072015.pdf>

Thus, a one-percent target for energy savings is readily achievable within current budgets. In future Generation Plan updates, Council should examine this one-percent target and consider other appropriate levels ranging from one to two percent of total sales, which many utilities throughout the country are readily achieving.⁵⁶

2. Low and Low Moderate Income Program Demand and Energy Savings Goal

Recommendation: The Council should set a current demand savings goal for Austin Energy's energy efficiency programs targeting low and low-moderate income customers of no less than 5% of the utility's annual peak demand savings and increasing that goal 1% per year over the next five years reaching 10%

Targeted Underserved Groups: Low and Low Moderate Income Customers

Time Schedule: Implement in 2017

Budget Impact: Unknown

Community Need: An estimated 58% (236,141)⁵⁷ of Austin households have incomes below 400% of the Federal Poverty Guideline (FPG) and therefore represent the total population of low and low moderate income customers taking service from Austin Energy. Customers living with incomes below 50% of the Federal Poverty Guideline (FPG) spend 37.6% of their household incomes on electricity. Those at 51 to 100% of FPG spend 11.3% and those at 101 to 200% FPG spend 5.9%. Those above 400% of the FPG spend 1.6%.⁵⁸

The majority of Austin Energy's residential customers are low and low moderate income. However, as discussed in the equity section of this report there are little or no data to indicate how large a share of energy efficiency program benefits low and low moderate income customers are receiving. By establishing a measurable demand and energy savings goal the City Council would set a standard that works toward having more equitable programs and reporting data related to the fulfillment of the goals would be incorporated into the Energy Efficiency Services reporting system. Setting a demand savings goal for low and low-moderate income energy efficiency programs is one of the tasks assigned to the Task Force by the City Council.

Description: The 2025 Generation Resource plan adopted by City Council in 2014 set a minimum goal of 900 Megawatts (MW) of demand reduction by 2025, as well as a further goal of 1,000 MWs by 2025 as technologies, budget and programs allow, as well as studying the

⁵⁶ American Council for an Energy-Efficient Economy, Policy Brief: State Energy Efficiency Resource Standards, April 2015, available at <http://aceee.org/sites/default/files/eers-04072015.pdf>

⁵⁷ Memorandum to Low Income Consumer Advisory Task Force from Liz Jambor, EdD, Manager, 01/05/15., p 5.

⁵⁸ *Ibid.*

potential to get to a more ambitious goal of 1,200 MWs by 2025. While Austin Energy has set overall demand savings goals on an annual basis, except for the solar programs it has not done so for specific energy efficiency programs. Under this proposal Austin Energy would also set corresponding demand and energy savings goals associated with the demand and energy savings that would benefit low and low moderate income customers. This is already a practice in investor owned utilities in Texas where 5% of all demand savings must be achieved in programs serving customers with income at or below 200% of the Federal Poverty Guideline.⁵⁹ This is the same income group served by Austin Energy's Free Weatherization program. Thus, an initial 5% demand savings goal as well as a 10% demand savings goal for both low and low-moderate income energy efficiency programs within 5 years should be reasonable to achieve.

3. Establishing budget goals.

Recommendation: The City Council should set a goal that a minimum of 25% of the total Energy Efficiency Services budget including administrative expenses should be spent on programs that help low and low-moderate income residential customers, with at least 10% of the Energy Efficiency Services budget dedicated to a free weatherization program. Furthermore, as part of the recommendation to spend at least 25% of the overall Energy Efficiency Services budget, at least 15% of the total distributed solar energy budget for new projects should be dedicated to projects that benefit low and low moderate income customers.

Targeted Underserved Groups: Low and Low Moderate Income and Renter Customers

Time Schedule: Implement in 2017 city budget

Budget Impact: Can be accomplished within current budget levels

Community Need: Please refer to Sections II. D, E, and F on demographics, program history and equity.

Description: The current low and low moderate income energy efficiency programs consist of a free weatherization program. In addition, a relatively small amount of Austin Energy's energy efficiency expenditures have been made to provide solar incentives on multi-family affordable housing properties. The number of low and low moderate income customers that may be served by other Austin Energy programs is unknown. The Task Force was made aware of solar projects through its community panels from representatives of Foundation Communities and Guadalupe Neighborhood Housing Corporation. The Task Force is also aware of individual "Green Building" projects that benefit low and low-moderate income individuals such as the Guadalupe-Saldaña net-zero home energy project. The available data indicate that funding for

⁵⁹ Public Utility Commission of Texas Substantive Rule Chapter 25 Section 183(e)(3)(F).

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3. 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 and Austin Energy EUC 121415 –Item 9 –numbers 12 and 13.) (Adopted 09/05/15) Vote 6 yes, 1 no.

See Task Force Final Report pages 18-19.

potential to get to a more ambitious goal of 1,200 MWs by 2025. While Austin Energy has set overall demand savings goals on an annual basis, except for the solar programs it has not done so for specific energy efficiency programs. Under this proposal Austin Energy would also set corresponding demand and energy savings goals associated with the demand and energy savings that would benefit low and low moderate income customers. This is already a practice in investor owned utilities in Texas where 5% of all demand savings must be achieved in programs serving customers with income at or below 200% of the Federal Poverty Guideline.⁵⁹ This is the same income group served by Austin Energy's Free Weatherization program. Thus, an initial 5% demand savings goal as well as a 10% demand savings goal for both low and low-moderate income energy efficiency programs within 5 years should be reasonable to achieve.

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Targeted Underserved Groups: Low and Low Moderate Income and Renter Customers

Time Schedule: Implement in 2017 city budget

Budget Impact: Can be accomplished within current budget levels

Community Need: Please refer to Sections II. D, E, and F on demographics, program history and equity.

Description: The current low and low moderate income energy efficiency programs consist of a free weatherization program. In addition, a relatively small amount of Austin Energy's energy efficiency expenditures have been made to provide solar incentives on multi-family affordable housing properties. The number of low and low moderate income customers that may be served by other Austin Energy programs is unknown. The Task Force was made aware of solar projects through its community panels from representatives of Foundation Communities and Guadalupe Neighborhood Housing Corporation. The Task Force is also aware of individual "Green Building" projects that benefit low and low-moderate income individuals such as the Guadalupe-Saldaña net-zero home energy project. The available data indicate that funding for

⁵⁹ Public Utility Commission of Texas Substantive Rule Chapter 25 Section 183(e)(3)(F).

designated low-income and low-moderate income residents has made up a relatively small part of the energy efficiency budget. The level of funding provided should at least be equal to the contribution made by low and low moderate income customers to the energy efficiency service portion of the Community Benefit Charge.

In budgeting for the future in compliance with these recommendations assuming a total Energy Efficiency Services program budget of \$42 million the City would consider the following as program and budget options:

- At least \$4.2 million for Low Income Weatherization
- \$400,000 for emergency window air conditioners for the medically vulnerable
- Increased budget for the multi-family program dedicated to properties renting to low income and low moderate income customers
- New pilot programs to test Task Force recommendations and other new ideas for serving low and low moderate income customers.
- Green Buildings for low-moderate income customers
- Higher rebates and more generous financing terms for those in the 301 to 400% of the federal poverty guideline income bracket.
- Free energy audits for renters with high bills

An illustrative example of a \$42 million dollar budget can be found in Appendix 8 at page 71.

4. Program Evaluation Policies

Recommendation: Expand the cost effectiveness test for evaluating energy efficiency and renewable energy program incentives that benefit low and low moderate income homeowners and renters to include the energy and non-energy benefits not included in current calculations using a methodology such as the Societal Cost Test.

Community Need: Everyone pays into the Community Benefits Charge energy efficiency rate on their electric bill from Austin Energy based on kWh used.⁶⁰ The cost effectiveness test Austin Energy uses only measures peak kW demand reduction based on the cost of building a new power plant. Low income programs cost more because the program pays 100 percent of the costs and they also perform poorly in comparison to other programs. This test measures direct program costs without taking community values and benefits into account.

⁶⁰ Austin Energy industrial and large commercial customers on special contracts have not been paying the energy efficiency rate and proposals are to continue this waiver for some of the special contract customers.

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4. Make Energy Star window unit air conditioners the standard air conditioning application in the low income weatherization program and include under limited circumstances, repair and replacement of central air conditioners and 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 and Austin Energy EUC 121415 –Item 9 –numbers 14 and 15.) (Adopted 08/21/15) Vote 8 yes, 1 abstain)

See Task Force Final Report pages 36-38.

Energy's low and low-moderate income energy efficiency services programs. The department should also include weatherization and other low and low-moderate income energy efficiency referrals among the list of services it provides on its neighborhood center webpage and in its brochures.⁷⁰

- The City of Austin should direct the City Manager to carry out these recommendations.

4. Provision of Air Conditioners in Low Income Weatherization Program

Recommendation: To 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. Vulnerability should be considered, and priority should be given to customers at or below 200% of the Federal Poverty Guidelines. To make Energy Star window unit air conditioners the standard energy efficiency improvement services option in the low income weatherization program and to include under limited circumstances, repair and replacement of central air conditioners. Criteria should be developed to determine eligibility for window units and limited central air conditioning repair and replacement.

Targeted Underserved Group: Low-income customers.

Time Schedule: Begin implementation in 2016

Budget Impact: Unknown but the intent is to accomplish within current budget.

Community Need: The summer weather in Austin is extremely hot for certain periods of time. When the heat index reaches 102, Austin Energy, is prohibited from disconnecting a customer's service⁷¹ because air conditioning is necessary to protect a resident's health and safety especially the elderly and young children.⁷² While it is possible to live through an Austin summer with no air conditioning, people without air conditioning in their homes are encouraged to take shelter in public buildings with air conditioning during the hottest times of the day.⁷³

⁷⁰ The COA's Health and Human Services neighborhood center webpage lists form/application assistance as one of its services. It also requires households to provide identity and income proof to establish eligibility. Lastly, the department is already set up to do referrals to non-departmental entities. Consequently, this department is the logical COA department to have residual responsibility for determining income and identification eligibility for AE's low and moderate income energy efficiency programs.

⁷¹ Austin City Code §15-9-109.

⁷² Texas Department of Health, Sweating out a Texas heat wave, A guide to preventing hot weather illness.

⁷³ *Ibid.*

Over one-fourth (118,241) of Austin households have incomes that qualify for Free Weatherization.⁷⁴ Households living with income below 50% of the Federal Poverty Guideline (FPG) spend 37.6% of household income on electricity. Those at 51 to 100% of FPG spend 11.3% and those at 101 to 200% FPG spend 5.9%. Those above 400% of the FPG spend 1.6%.⁷⁵

As utility bills increase because of higher rates and the pass through surcharges for regulatory costs, community benefit charge and other charges, low income customers are the most profoundly impacted by increases. As utility bills rise, the energy burden becomes an even higher percentage for those households on fixed and low incomes. There are large numbers of households in the Austin Energy service area with low income, high utility bills and income barriers to accessing energy efficiency program resources.

In Texas, 26% of all home energy use is attributable to central air conditioning, 11% to the refrigerator, 9% to space heating, 7% to water heating and 2% to room air conditioning.⁷⁶ Under the current program, a customer can participate in the low income weatherization program and be left with no source of air conditioning.

Program Description: The program and its components should be continued. This program is intended to help limited funding go further. Provide a recipient of low income weatherization services access to the most cost efficient and technically feasible measures that will meet the basic cooling needs of the low income residents. In many circumstances this will involve the installation of one or two Energy Star window units. Under limited circumstances in homes originally designed with central air conditioning and where the installation of Energy Star window units is uneconomic because of needed structural modifications a central unit may be repaired or replaced.⁷⁷

Other considerations are coordination with the gas company program to acquire additional program resources for customers living in mixed fuel homes.

Future participation in the weatherization program is currently restricted to once every ten years. This time limitation is appropriate for the installation of building performance measures. In regard to installed Energy Star window units and central air conditioning repair, customers should be eligible to reapply at the end of useful life of the Energy Star window unit or repair. Decisions about repair and replacement of equipment should be made to ensure to the best of the evaluator's ability that the repair or replacement will provide reliable service to the eligible customers until the customer and property are eligible to reapply for the program. If a repair

⁷⁴ Memorandum from Liz Jambor, EdD, Manager, to Low Income Consumer Advisory Task Force 01/05/15., p 5.

⁷⁵ *Ibid.*

⁷⁶ GDS Associates, Evaluation of Austin energy's ARRA-Supported Weatherization Assistance Program, September 2012, p. 51.

⁷⁷ Additional criteria should be developed to define the limited circumstances.

or replacement dysfunctions before the end of its expected useful life, the customer should be able to contact the program for the needed repair.

5. On-Bill Repayment

Recommendation: Austin Energy should allow for repayment for energy efficiency retrofits on a customer's monthly utility bill. Financing would come from a third-party not from the utility itself. Rebates should also be provided for qualifying measures.

Targeted Group: Mainly Middle and Moderate Income Residential Customers, though some low-to-moderate income residents might be able to qualify.

Time Schedule: Not Determined

Budget impact: Unknown

Estimated Cost: Depending on how the financing is structured, the cost effectiveness should be less than or equal to Austin Energy's current financing program for home efficiency. Initial capital must be provided; \$500,000 is suggested for a pilot project to be utilized for a loan-loss guarantee or as a guarantor on a vendor note. There could also be some cost involved for the redesign of the bill to include the payment arrangement for repaying the loan. This does not include staff time.

Description: Through on bill repayment, the utility assists customers in attaining cost-effective energy upgrades at customer sites – like better building efficiency, more efficient appliances, HVAC (heating, ventilating and air conditioning) systems and rooftop solar.

The customer pays nothing upfront for the upgrades they choose because the third party lender or vendor pays the installer. Using a payment arrangement, the utility puts a fixed charge on the customer's monthly bill that is less than the estimated savings generated by the upgrade – so the customer enjoys immediate and sustained cash flow. Until the investment is recovered, the payment arrangement for the improvement charge automatically transfers to future customers at that site. Transparency would be assured by requiring building owners to inform future buyers or renters of the property of the on-bill repayment in place.

On-Bill Repayment (OBR) clears the biggest barriers to financing because it does not depend on a traditional consumer loan. Nor is it characterized as a long-term lease, or a lien on the value of the property. Renters and lower-income households have faced barriers to accessing investment capital for cost-effective energy upgrades, and similar financing challenges have stumped credit-strained companies and local governments.

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5. 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 and Austin Energy EUC 121415 –Item 9 –number 21.) (Adopted 08/21/15) Vote 7 yes, 2 abstain.

See Task Force Final Report pages 52.

that are at least 10 years old and are required to disclose the results. Compliance is spotty at best.

The status quo is that renters are often blindsided by high electric bills after signing a lease. In some cases, a rental property with higher rent, but lower electric bills would be more affordable overall. Consumers should be provided the information they need to make an educated decision about where to live.

Enforcing the ordinance would ensure that prospective tenants would receive the energy guide and audit required under the ECAD ordinance before they decide to rent. Moreover, greater enforcement of the required improvements for multi-family facilities with high electric costs would result in greater energy efficiency, thereby resulting in reduced electric bills.

Program Description: Austin Energy should develop a plan for fully enforcing the entire ECAD ordinance and present that plan to the Electric Utility Commission, the Resource Management Commission and the City Council for approval. Actions recommended include: creating a marketing campaign to educate the community and community activists; investigating the multi-family facilities to verify whether the elements of the ECAD ordinance are being carried out; and establishing a prosecution process to enforce the ordinance including the implementation of a process of investigating anonymous tips and carrying out that investigation to prosecution, if applicable. Funding for full enforcement of ECAD, according to the approved plan should be included in Austin Energy's FY 2017 budget proposal.

6. Condition Austin Housing Finance Corporation's financing on applicant's efforts to seek solar and energy efficiency

Recommendation: Austin Housing Finance Corporation should condition financing approval to applicants involved with affordable housing with a condition that applicant seek energy efficiency services from Austin Energy, including solar for new and substantial rehabilitation construction. Higher rebates should be considered for these applicants.

Reasoning: Austin Housing Finance Corporation provides low cost financing to builders and developers who construct affordable housing. For many applicants, the housing corporation requires them to apply for tax credits, which further ensures low and low-moderate income households will have access to the housing being constructed. Adding a requirement that the applicant seek energy efficiency services from Austin Energy, particularly solar will provide greater housing affordability to the tenants. Austin Energy funding of energy efficiency programs to these applicants will provide greater assurance that energy efficiency funding will benefit low and low-moderate income customers.

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6. 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 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 and Austin Energy EUC 121415 –Item 9 –number 18.) (Adopted 08/21/15) Vote 9 yes, 0 no.

See Task Force Final Report 51-52.

Targeted Underserved Group: All renters

Time Schedule: Implement in 2016

Budget Impact: None

Community Need: A majority of Austin residents rent and renters disproportionately have lower incomes than homeowners. Rental properties, particularly those with lower rents are often not very energy efficient. Landlords have little incentive to improve energy efficiency at their properties because it's the tenants who pay the electric bills. Consumers should be provided the information they need to make an educated decision about where to live. Providing a marketing tool to landlords showing the facility has high energy efficiency would provide easily understood information to prospective tenants about the efficiency of the facility.

Program Description: Amend the ECAD program to provide recognition for apartments that are within the top 20% of energy efficiency rankings would allow landlords to market the award. It creates a positive inducement without any real cost to Austin Energy. It should create a marketing opportunity for the landlords and therefore create an incentive to become energy efficient.

5. ECAD Enforcement

Recommendation: Austin Energy should develop a plan for fully enforcing the entire Energy Conservation Audit Disclosure (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.

Targeted Underserved Group: Low and low moderate-income renters

Time Schedule: Implement in 2016 (requirement) and 2017 (funding for enforcement)

Budget Impact: cost of enforcement

Community Need: A majority of Austin residents rent and renters as a class have disproportionately lower incomes than homeowners. Rental properties, particularly those with lower rents are often not very energy efficient. Landlords have little incentive to improve energy efficiency at their properties because it's the tenants who pay the electric bills.

Although landlords of multifamily properties (excluding duplexes, triplexes, fourplexes, and units designated as condominiums) are required to have energy audits conducted on buildings

that are at least 10 years old and are required to disclose the results. Compliance is spotty at best.

The status quo is that renters are often blindsided by high electric bills after signing a lease. In some cases, a rental property with higher rent, but lower electric bills would be more affordable overall. Consumers should be provided the information they need to make an educated decision about where to live.

Enforcing the ordinance would ensure that prospective tenants would receive the energy guide and audit required under the ECAD ordinance before they decide to rent. Moreover, greater enforcement of the required improvements for multi-family facilities with high electric costs would result in greater energy efficiency, thereby resulting in reduced electric bills.

Program Description: Austin Energy should develop a plan for fully enforcing the entire ECAD ordinance and present that plan to the Electric Utility Commission, the Resource Management Commission and the City Council for approval. Actions recommended include: creating a marketing campaign to educate the community and community activists; investigating the multi-family facilities to verify whether the elements of the ECAD ordinance are being carried out; and establishing a prosecution process to enforce the ordinance including the implementation of a process of investigating anonymous tips and carrying out that investigation to prosecution, if applicable. Funding for full enforcement of ECAD, according to the approved plan should be included in Austin Energy's FY 2017 budget proposal.

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Reasoning: Austin Housing Finance Corporation provides low cost financing to builders and developers who construct affordable housing. For many applicants, the housing corporation requires them to apply for tax credits, which further ensures low and low-moderate income households will have access to the housing being constructed. Adding a requirement that the applicant seek energy efficiency services from Austin Energy, particularly solar will provide greater housing affordability to the tenants. Austin Energy funding of energy efficiency programs to these applicants will provide greater assurance that energy efficiency funding will benefit low and low-moderate income customers.