



Low Income Consumer Advisory Task Force (LICATF) Recommendations, Minority Report and AE Response

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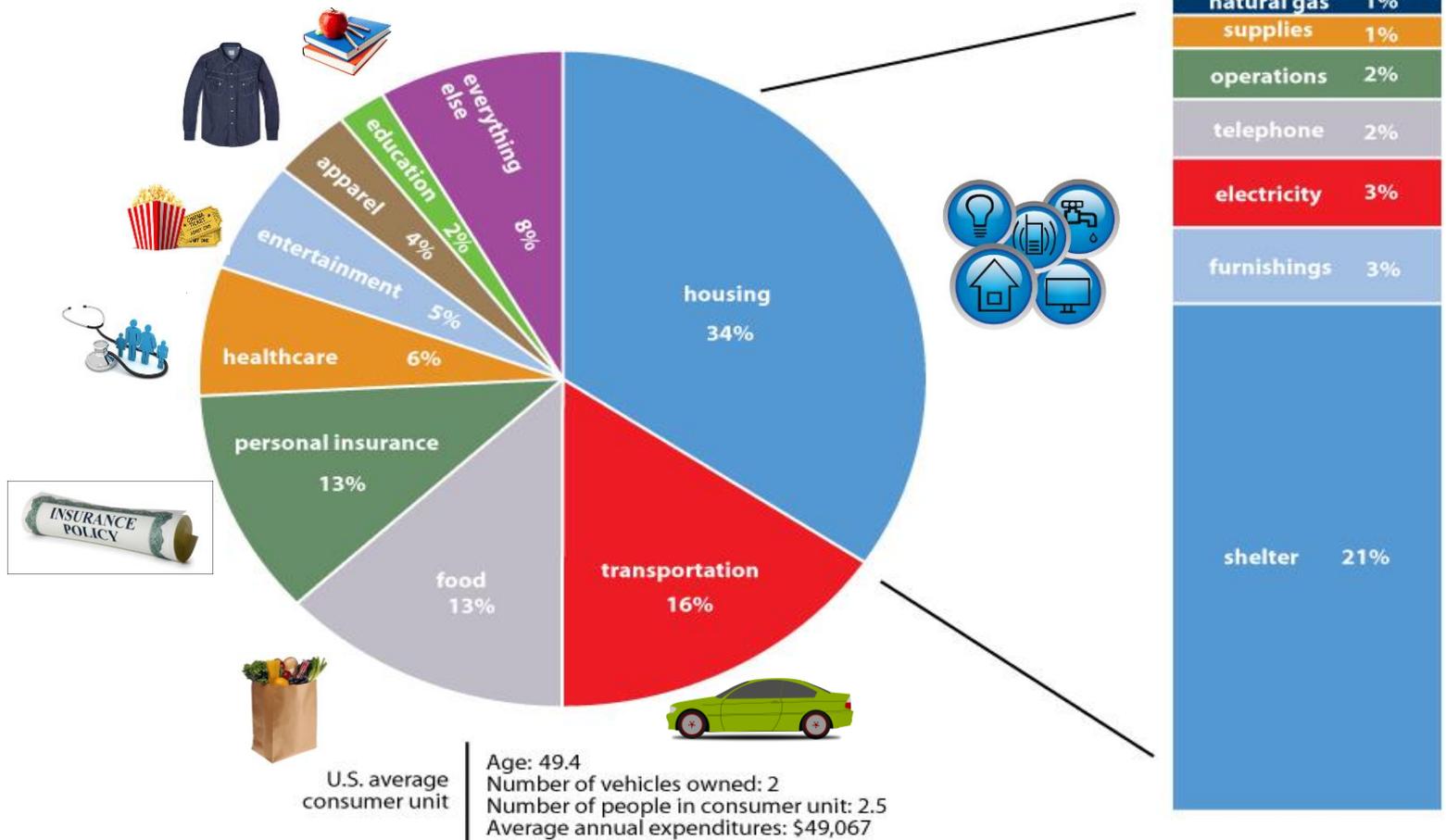


Overview

- Background
 - Utility costs as a percentage of household expense
 - History of Austin Energy Spending on Weatherization & Other Programs
- LICATF Recommendations, Minority Report & AE
 - Significant areas of agreement
 - Will study additional opportunities (Task Force and other)
 - ‘Not recommended’ actions would:
 - Impede ability to achieve 900 MW energy efficiency (EE) and demand response goal,
 - Challenge affordability goals and/or
 - Create inequities between customer classes

Where does the money go?

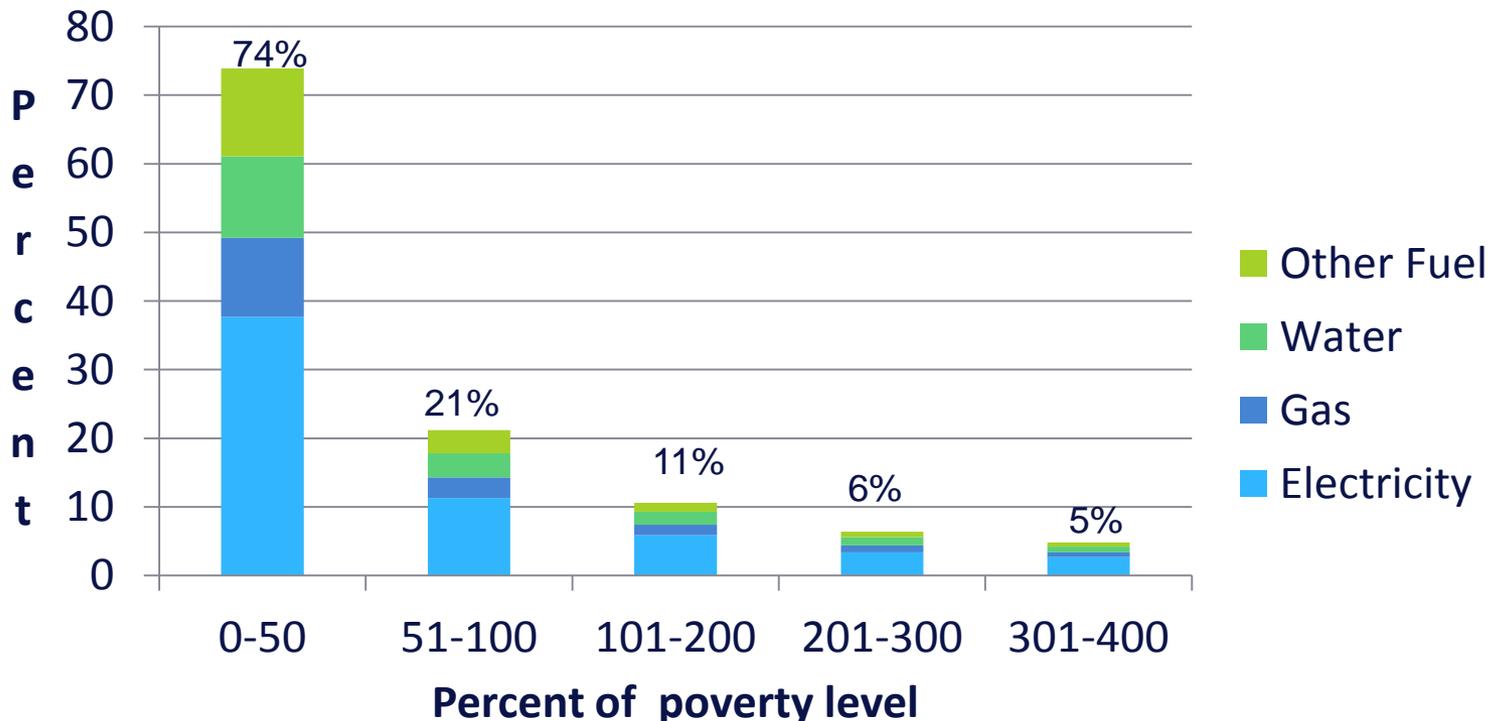
Average annual consumer expenditures



Rocky Mountain Institute © 2011. For more information see www.RMI.org/ReinventingFire.



Austin Utility Burden – Percent of Income Spent on Utilities (2010-2012)



Income (fam. of 4)	\$11,525	\$23,050	\$47,700	\$71,550	\$95,400
# residential customers	24,921	30,920	62,400	64,000	53,900
% residential customers	6%	7%	15%	15%	13%



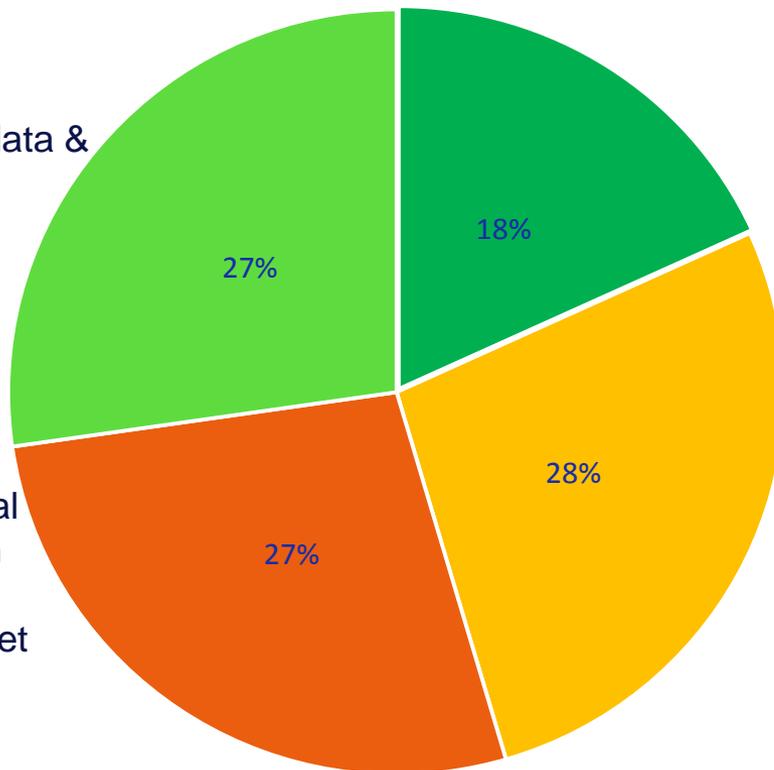


Staff Response to LICATF Recommendations

22 Primary Recommendations

- Roll over unspent EE weatherization budget
- Societal cost test
- ECAD additional online data & recognition
- Data reporting by District
- Low interest loans

- Program goals & 'true-up'
- Window units for medically vulnerable
- Energy code advocacy
- Continuous process and cost efficiencies



- On bill loans
- Fractional solar billing
- PACE and grants for low income
- **Multifamily target for affordable housing
- Coordinated low income efforts
- Contractor rebate program

- *5-10% demand savings goal
- *25% of EE budget spent on low, low/moderate income
- *1% annual EE savings target
- *Change in ECAD enforcement
- *Austin Housing Finance
- *Expand to 250% poverty level

■ Underway or current practice
 ■ Under Review
 ■ Not recommended
 ■ Planned for FY16 and FY17

* Not Recommended or **Conditionally Recommended in the Minority Report





FY16 To Date

- Added contractors and bidding new pricing
- Increased accountability for contractors
 - Additional quality assurance and completion criteria
- Over three month period:
 - 152 homes weatherized
 - 216 additional WX homes in process
 - Average cost per home \$3,100
 - 32 days average time from assignment to passing inspection
- Multi-family best practice study
- Smart thermostats – rebates and free for eligible customers
- Expanded retail point of sale discounts – lighting and other
- Implemented partnerships
 - Austin Fire Department-Direct install
 - Meals on Wheels and More – Direct install
 - Various COA departments





Increase energy burden to **all** paying AE customers

- Unsustainable Low Income Funding Levels
 - Higher than other Texas utilities
- Long paybacks
 - Savings average \$9 to \$13/month vs. \$3,100 to weatherize home
- Adds financial burden to customers borrowing for AC
 - Loan adds extra costs increasing potential to not pay their current bills
 - Each window AC unit increases summer energy use ~ \$160



Minority Report and AE Rationale for Opposing Some Recommendations

Creates inequities among ratepayers

- 50% of AE customers outside City limits not represented though impacted
- Additional burden to 40% customers supporting the 60% of low/low moderate customers
- Households earning \$75,800 or less received over \$13 million while paying \$9 million into the Community Benefit Charge (CBC)





Minority Report and AE Rationale for Opposing Some Recommendations

Jeopardizing the ability to cost effectively meet Clean Energy 2025 demand reduction goals

- 25% of budget on the low savings programs results in the inability to meet the ~60 MW per year
- ~ 1 kW/\$3,100 demand reduction per weatherized home would take ~\$9 million per year for 10% demand; multifamily saves even less
- Requiring and verifying participant income for non-income based programs would significantly reduce participation





Summary

- Significant time and effort by citizen task force and staff
- Roughly 60% of recommendations are do-able
 - Some complete or in progress
 - Others will take more time
- The recommendations not supported are a function of affordability and goal furtherance considerations





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