

# Late Backup

Item No. 158

8/28/2014

Initiated by CM Tovo

## RESOLUTION NO.

**WHEREAS**, the Austin Resource and Generation Plan to 2020 report adopted by City Council in April 2010 recommended that Austin Energy invest in conservation and energy efficiency rather than electric generation whenever such substitution is economically viable; and

**WHEREAS**, the Generation Plan further recommended that Austin Energy aggressively diversify its energy efficiency programs and extend the benefits of demand-side management (DSM) throughout the community; and

**WHEREAS**, prior to the Generation Plan, Austin Energy had considerable success with its energy efficiency investments: between 1982 and 2006 Austin Energy offset the need to build a new 700 megawatt (MW) power plant through energy efficiency, and between 2007 and 2013, Austin Energy achieved an additional 371 megawatts; and

**WHEREAS**, the 2009 Austin Generation Task Force recommended and City Council increased its energy efficiency goal from 700 to 800 megawatts; and

**WHEREAS**, the 2014 Austin Generation Task Force report recommends that the energy efficiency and demand response goal be increased to 1,200 megawatts by the end of 2024 with 200 megawatts of the goal being met by demand response strategies such as programmable thermostat programs and other smart grid-technologies; and

**WHEREAS**, according to the Austin Energy Annual Performance Report, energy efficiency programs in Austin avoid an estimated 63,000 metric tons of carbon dioxide per year; and

**WHEREAS**, the American Council for an Energy Efficient Economy estimates that a \$1 million investment in energy efficiency creates 20 jobs; and

**WHEREAS**, because all customers except for those with contract rate discounts pay the same volumetric rate for energy efficiency, the programs should benefit all customers; and

**WHEREAS**, according to data provided by Austin Energy, 131,501 or 38 percent of households served by Austin Energy have incomes below 200% of the Federal Poverty Guideline and are eligible for the low-income weatherization program; and

**WHEREAS**, another 85,576 or 26 percent of households served by Austin Energy have incomes that fall between 200% and 399% of the Federal Poverty Guideline; and

**WHEREAS**, the Economic Policy Institute Family Budget Calculator estimates that families in the Austin-Round Rock area need 300% of the Federal Poverty Guideline to cover necessities; and

**WHEREAS**, families making below 300% of the Federal Poverty Guideline are thus unlikely to have the financial resources necessary to participate in the current Austin Energy Programs; and

**WHEREAS**, the 2009 Austin Generation Resource Planning Task Force report recommended that Austin Energy make energy efficiency programs more available to those with incomes between 200% and 400% of the federal poverty guideline, seek grants to make distributed energy generation resources available to low income and low-moderate income households, and ensure that the energy efficiency program provide targeted outreach to owners of rental units; and

**WHEREAS**, the Pecan Street Project findings illustrate that a non-retrofitted home uses 29 percent more electricity for cooling than a retrofitted home; and

**WHEREAS**, according to the U.S Census Bureau 55 percent of Austin households live in rental property; and

**WHEREAS**, the 2010 Austin Energy Residential Electricity Burden study shows that, for both homeowners and renters, the median income of occupants decreases as the age of the property increases, and the percentage of income spent on electricity increases as the age of the property increases; and

**WHEREAS**, the 2014 Austin Generation Task Force report recommends that City Council set a new energy efficiency goal for saving energy among the “under served population,” by which it meant low- and low-moderate-income customers; **NOW, THEREFORE**,

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

That the City Manager is directed to ~~create policies consistent with~~ implement a planning process to evaluate recommendations of the 2009 and 2014 Austin Generation Resource Planning Task Forces and to develop program changes, including ~~changing~~ potential increases of the energy efficiency demand reduction goal ~~to 1200 MW by 2024~~ and establishing energy efficiency programs, ~~demand reduction goals~~, and funding levels for equitable, effective program offerings for Austin Energy’s customers, with particular emphasis on low income and low-moderate income households.

**BE IT FURTHER RESOLVED:**

1. That the Low Income Consumer Advisory Task Force is created, consisting of one member from each of the Electric Utility Commission (EUC) and the Resource Management Commission (RMC), appointed by its members, and one appointed by each Council Member. If the Council creates an advisory commission to replace the EUC and RMC in dealing with Austin Energy issues, that body shall appoint one of its members to the Task Force.
2. That the Task Force will make recommendations regarding the development, design, and implementation of energy efficiency and renewable energy programs to meet the demand reduction goals of low income and low-moderate income residential customer programs.
3. That the City Manager is directed to place an item on the September 23, 2014, City Council Work Session agenda to discuss potential Task Force appointees, ensuring that appointees collectively represent a broad cross-section of the community and include nonprofit organizations, utility consumer advocates, members of the faith community, and contractors.
4. That a quorum for the conduct of business is a majority of Task Force members. The Task Force shall elect a chair and vice-chair at its first meeting. Task Force meetings will be subject to the Open Meetings Act, and the public will be given a reasonable amount of time to provide input at all meetings.
5. That the Task Force shall explore program options for low income and low-moderate income households such as income-sensitive sliding scale incentives, neighborhood-based energy efficiency programs, low-cost loans, combining community and city resources to effectively deliver programs, program cost-saving measures, and any other alternatives that will improve the effectiveness and cost efficiency of program delivery. The Task Force shall also make recommendations regarding:

- Identifying appropriate funding levels for low-income weatherization programs,
- Developing options for low and low-moderate income customers to be able to participate in renewable generation resources,
- Evaluating air conditioner rebates and other similar programs to ensure the programs are promoting the highest equipment efficiency levels to consumers,
- Evaluating incentives or code changes that could encourage energy efficiency measures in apartment complexes, small rental units and duplexes, and
- Establishing a demand reduction goal for low income and low-moderate income households as a percentage of the energy efficiency and demand response goals for 2024. A “low-income household” shall be defined as one with income up to 200% of the federal poverty guideline and a “low-moderate-income household” shall fall between between 200% and 400% of the federal poverty guideline.

6. That quarterly reports shall be provided by the Task Force to the Electric Utility Commission, the Resource Management Commission, City Council, and the general public regarding this committee’s work, and the committee shall be dissolved upon the Council’s adoption of the recommendations of the Task Force, or on October 1, 2015.

**BE IT FURTHER RESOLVED:**

1. The City Manager is requested to solicit participation from county offices providing energy assistance and affordable housing, to encourage participation from the City’s Neighborhood Housing and Health and Human Services departments, and to provide reasonably necessary resources and technical assistance to the Task Force.

2. The City Manager shall conduct a statistically valid survey for customers participating in energy efficiency programs to measure customer satisfaction and collect demographic data such as income, race, and education level.

**ADOPTED:** August 28, 2014    **ATTEST:** \_\_\_\_\_  
Jannette S. Goodall  
City Clerk