

## LOW INCOME CONSUMER ADVISORY TASK FORCE

### SUMMARY OF RECOMMENDATIONS ADOPTED Draft 09/14/15

Directive 1 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.

#### **Recommendation that Austin Energy Should Improve and Make More Transparent the Tracking of its Energy Efficiency Programs.**

(A) All Austin Energy programs funded with revenues realized from the energy efficiency rate should be consistently reported to the public, the City's advisory commissions and the Council.

(B) All program costs funded with energy efficiency dollars should be consistently reported and the operations and maintenance costs should be separated out from the rebates and other direct costs of the programs.

(C) In any budget presentation to support its energy efficiency rate proposal, Austin Energy should not include any energy efficiency program costs funded with Customer Assistance Program revenues.

(D) Austin Energy should develop better tracking data by city council district to: measure energy and demand savings, including consumption data measuring the actual customer usage both before and after the customer benefited from an energy efficiency program; analyze the demographics of program participation while protecting privacy data; and demonstrate coordination with other publically funded programs.

(E) Austin Energy should provide monthly, quarterly and annual reports to the Resource Management Commission, Electric Utility Commission and City Council indicating energy efficiency, Customer Assistance Program (CAP) Weatherization, Demand Response, Green Building and Solar activities and City Council should establish accountability procedures. (Adopted 06/05/15 - 7 yes, 0 no)

**Recommendation for Weatherization Program Cost Reduction Study.** The City Council should direct the City Manager to investigate operating practices that could potentially increase the cost effectiveness of the low income weatherization program while maintaining all program services and standards and report back to city council in six months with a strategy for implementation. (Adopted 09/04/15 - 7 yes, 0 no)

**Recommendation for an Annual Energy Efficiency True-up.** The City Council should establish a true up proceeding for the energy efficiency rates within six months after the close of each fiscal year to reconcile any over or under recovery of the utility's energy efficiency revenues, realized and imputed, attributable to the energy efficiency rate for that recently closed fiscal year with that fiscal year's energy efficiency expenses, including operations and maintenance, incurred by Austin Energy. The true up proceeding may result in no further action, a reduction or increase in the energy efficiency rate, and/or an amendment to the then-current energy efficiency budget, including the transfer of funds from one program to another to increase the effectiveness of the programs. (Adopted 09/04/15 - 7 yes, 0 no)

**Recommendation to Adopt the Triple Bottom Line Evaluation used by the City of Austin Sustainability Office.** Everyone pays into the Community Benefits Charge on their electric bill from Austin Energy based on kilowatt-hour used. The cost effectiveness test Austin Energy uses only measures peak kilowatt demand reduction based on the cost of building a new power plant. Other factors should be considered like kWh reduction that increases affordability, health and safety benefits that improve the quality of life of a resident through better indoor air quality or reduced risk of fire. Energy efficiency also creates local jobs. The sustainability triple bottom line looks at the impacts on people/equity, prosperity/economy and planet/environment. (Adopted 07/17/15 - 6 yes, 1 abstain)

**Recommendation for Universal Application with Automatic Referral Process.** The city departments that provide services to low and low-moderate income customers based on income eligibility should use a universal application form that is not only immediately processed by the receiving department but also immediately referred to other respective departments. Variations in income eligibility requirements will be considered. The benefit of the program individually can be \$1,000 per home. (Adopted 08/07/15 - 7 yes, 0 no)

**Recommendation for Program Goals.** The City of Austin Sustainability Office uses a matrix of energy and non-energy benefits for evaluating its purchasing recommendations. The Low Income Consumer Advisory Task Force adopted this

matrix for evaluating energy efficiency programs for customer households with low and low-moderate incomes. The Task Force included the additional consideration of program impacts to Austin Energy's bad debt and collection costs. As a further refinement the Task Force adopted the goals for all programs and goals for programs serving low and low moderate income customers. (Adopted 08/21/15 - 8 yes, 0 no)

*Directive 2. 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.*

**Recommendation for Low-Interest Loans for Installation of Energy Star Window Units.** 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. (Adopted 05/15/15 - 8 yes, 0 no)

**Recommendation for Low Interest Loans for Comprehensive Energy Efficiency.** Create a residential energy efficiency program to enable low and low moderate income homeowners to weatherize their homes and purchase energy efficient cooling and/or heating appliances. (Adopted 05/15/15 - 8 yes, 0 no)

**Recommendation for On-Bill Repayment.** Austin Energy would allow for repayment for energy efficiency retrofits on a customer's monthly bill. Rebates would also be provided for qualifying measures. (Adopted 08/21/15 - 6 yes, 2 no)

**Recommendation for Contractor Rebate Pilot Program in Conjunction with Affordable Housing Projects.** In addition to a stand-alone low income weatherization energy efficiency program approach, a residential low income weatherization rebate pilot program should be implemented in conjunction with the affordable retrofit housing programs administered by the City's Neighborhood Housing and Community Development department to obtain efficiencies of scope. Because of the leveraging of the weatherization program into the affordable housing programs, Austin Energy will be able to capture the additional demand and energy savings arising from the affordable housing programs. The provision of energy efficient appliances through bulk purchasing would be part of this program. The department would serve as a case manager to ensure Austin Energy is brought into the process. (Adopted 08/21/15 - 9 yes, 0 no)

**Recommendation for Window Units for Vulnerable Populations.** A residential low income energy efficiency program should be created to provide Energy Star window heating and/or cooling units including installation to low income who are certified by the medically vulnerable registry. This program would be implemented through the use of contractor rebates and the provision of Energy Star window cooling and/or heating units purchased by Austin Energy achieving discounts through the use of commitments to purchase appliances from retailers/manufacturers in the Austin area. (Adopted 08/21/2015 - 7 yes, 2 abstains)

*Directive 3. Identifying appropriate funding levels for low-income weatherization programs.*

**Recommendation on Unspent Weatherization Funds.** 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 should roll over to the next budget year, similar to the manner in which Customer Assistance Program (CAP) weatherization funds roll over. (Adopted 05/01/15 - 5 yes, 0 no)

**Recommendation for Low and Low Moderate Income Program Budget.** The City council should set a goal that a minimum of 25% of the Energy Efficiency Services budget 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 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. (Adopted 09/04/15 - 6 yes, 1 no)

*Directive 4. Evaluate air conditioning incentive programs to ensure the programs are promoting the highest equipment efficiency levels to the consumers.*

**Recommendation for Provision of Air Conditioners in Low-income Weatherization Program.** To 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. Criteria should be developed to determine eligibility for window units and limited central air conditioning repair and replacement. (Adopted 08/21/15 - 8 yes, 1 abstain)

Directive 5. Evaluate incentives or code changes that could encourage energy efficiency measures in rental housing.

**Recommendation to Earmark Specific Funding from Multi-Family Energy Reduction Program on Low and Moderate Income Customers.** 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." (Adopted 08/21/15 - 9 yes, 0 no)

**Recommendation for Fractional (Virtual) Billing.** In order to reduce the cost of providing solar energy to multifamily residents, including those in affordable housing, 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. (Adopted 05/29/15 - 7 yes, 0 no)

**Recommendation for ECAD (Energy Conservation Audit Disclosure) Enforcement.** Austin Energy should 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. (Adopted 08/21/2015 - 9 yes, 0 no)

**Recommendation to Amend the ECAD Program to Provide Recognition for Energy Efficient Rental Units.** The ECAD Rules should be amended 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. (Adopted 07/17/15 - 7 yes, 0 no)

**Recommendation to Provide Internet Access of ECAD Disclosures.** Make the results of ECAD audits and disclosure forms for multi-family properties available on the city's website. (Adopted 09/04/15 – 7 yes, 0 no)

**Recommendation for Austin Housing Finance Corporation to Condition Financing on Applicant Request for Energy Efficiency and Solar Installation.** 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/or substantial rehabilitation construction. Higher rebates should be considered for these applicants. (Adopted 08/21/2015 - 7 yes, 2 abstain)

*Directive 6. Establish a demand reduction goal for low income and low-moderate income households as a percentage of the energy and demand response goals for 2024.*

**Recommendation for Energy Savings Goal.** To 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. (Adopted 09/04/15 – 7 yes, 0 no)

**Recommendation for a Low and Low Moderate Income Program Demand and Energy Savings Goal.** The City Council should direct Austin Energy to set an annual 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 peak demand savings and furthermore set a goal of achieving at least 10% of the utility's annual peak demand savings through low and low moderate income programs within the next five years by annually raising the demand goal by 1%. (Adopted 09/04/15 – 7 yes, 0 no)

*Directives 1 and 5*

**Recommendation to Update Base Energy Codes and Improve Collaboration of City Departments.** City Council should direct the City Manager to work with Austin Energy and the relevant advisory committees, and city departments to adopt the 2015 IECC codes for residential construction, further the goal of net-zero capable homes, encourage widespread adoption of solar PV technology, and improve coordination between the Austin Energy Green Building Program, the Planning, Development and Review Department and Code Compliance. (Adopted 09/04/15 – 7 yes, 0 no)