

**Low Income Workgroup
October 6, 2016**

At BPA Headquarters and by phone

Summary

The meeting was held next door to BPA Headquarters in the 911 Building. BPA provided an update on what is “multifamily” and what is “single family” as well as the number of units in a multiunit complex needed to qualify for low income measures. Mpower provided a presentation on how to successfully engage building owners. And we had an in depth discussion about DHPs including the installation costs and what might qualify as a repair cost. This topic still needs more attention. BPA put out a request to gather data on the installation costs. Please send this to Jess Kincaid. Steve Joel shared some slide shows from case studies of DHPs and duct sealing as well as a checklist for DHP projects in multiunit complexes. Travis Hardy shared his experience analyzing the DHP bids of contractors serving his utility territory and how he landed on a generic pricing structure. We ended the meeting with the intention of putting together a section to be added to the Quick Start Guide on tips for implementing multifamily projects successfully. Check out the post on Conduitnw.org and add your feedback. The next meeting will be in Seattle, January 31 from 10 a.m. to 1 p.m. at the SMART Buildings Center. Stay tuned for more information about the meeting.

Attendees

On the Phone:

Jim Maunder, Ravalli Electric
Sheri Shepherd, State of Montana
Bobbi Wilhelm, Idaho Falls
Casey Mitchell, Community Action Columbia
Tacoma
DeeAnn Starr, Springfield Utility Board
Linda Esparza, Franklin PUD
Anita Clever, Klickitat PUD
Lars Henrickson, Seattle City Light
Jim Dolan, Pacific PUD
Ed Monson, Benton PUD
Eric Miller, Benton REA
Ken Hanna, Neighbor Impact
Duffell Gray, Coos Curry Electric
Alma Velasco, Franklin PUD
Jonathan Ballew, Montana

In person:

Summer Goodwin, BPA
Jess Kincaid, BPA

Carrie Nelson, BPA
Ken Tobias, Alpha Builders
Fran Howell, Alpha Builders
Shawn Collins, The Energy Project
Kevin Watier, SnoPUD
Charlie Shifferdecker, EWEB
Kathy Grey, EWEB
Wid Ritchie, Idaho Falls
Steve Joel, HACSA
Cyrus Collins, Columbia River PUD
Travis Hardy, Northern Wasco PUD
Brandy Neff, PNGC Power
Paul Rich, ESG
Jeremy Stewart, Tacoma Power
Todd Blackman, Franklin PUD
Rogelio Cortes, MWVCAA
Faith Graham, MPower
Julie Hayes, Milepost Consulting
Dena Hilde, BPA
Wendy Gerlitz, NWECC
Debbie Swanson, ESG
Hans Berg, WA Dept. of Commerce
Amanda Rains, WA Dept. of Commerce

Roundtable:

- Wendy Gerlitz shared that community solar in Oregon will have a 10% carve out for low income customers.
- Shawn Collins shared that Blane Electric has started performing low-income weatherization in their territory as part of a contract with the CAP.
- Jim Maunder said that Ravalli has installed their first DHP in a low income home last month.
- Johnathan– Said that they are starting talks with Montana State DEQ to address low income portions of clean energy blueprint.
- Todd Blackman shared that he is working with CAP and SEED (?) agency to prepare paperwork.
- Steve Jole provided a summary of his 2016 heat crisis furnace replacement program using EEI from utilities. He reported 21 additional jobs thanks to utility funds. They were able to fund the program from 11 months instead of just three this year.

Update from BPA on the Multifamily Low Income Requirement, Jess Kincaid, BPA

Jess presented on multifamily weatherization qualification, specifically the definitions of multifamily vs. single family for the utility program. Five or more dwelling units within the same structure are considered “multifamily” One through four dwelling units within the same structure are considered “single family”. Thermally separated multiplexes can also be considered single family. Regarding income qualification: At least 50% of households in two, three, and four unit dwellings must income qualify... in order for the weatherization of the entire building to qualify for low-income Payments. Utilities, however, may set more stringent requirements at their discretion.

- There was discussion on specifications and regulations and Jess reiterated that BPA is a floor (minimum) and utilities can do anything above that minimum (raise that requirement, if they choose to).

Case Study: Multifamily Duct Sealing - Steve Jole, HACSA

Steve Jole provided a slide show of a multifamily duct sealing project that HACSA executed.

Multifamily Opportunity and Motivators for Owners to Take Action - Faith Graham, MPower

Faith provided background on MPower and its full service solution for efficiency upgrades. MPower found the obstacles to weatherization of multifamily rental properties were lack of capital, lack of confidence in modeling energy savings, split incentives and needing a “cheerleader” for the project. They now follow a full project management approach including client education to tenants and monitoring of actual energy savings. They’ve completed 2,320 units with a 32% average energy savings.

- The keys to MPower’s success include capacity, confidentiality, and capital including how to fund low-income tax credit projects
- The “secret sauce” is being there for the coordination of all of the parts of the EE project: scope, specifications, development and resident engagement.
- They help figure out what all of the incentives are.
- MPower works in Oregon only pairing affordable multifamily housing with EE projects. We discussed overcoming split incentive and other barriers-lack of money, doubt. In her experience you really need a trusted champion and advisor for the recipients and landlords who

communicate well with owner. Coupling EE with water conservation has also been a big selling point. Most are not motivated by EE alone.

- After the project they go back and show the benefits and achievements. It is a 10 year relationship.
- They also offer a loan product.
- 32% energy savings on average. Building owners usually motivated by project features such as fans, ventilation, safety (lighting).
- Housing finance agencies have been a good resource for finding lists of potential buildings.
- Half of projects were in the Portland metro area, most were 2-3 story.
- If utility costs drop because of work done, the landlord can collect the difference.

Check-in on Ductless Heat Pumps

- **What are the actual installation costs? – Jess Kincaid, BPA**
 - The cost of DHPs has been a point of discussion in the workgroup. There was a call for cost data, and clarification on what should be included. Jess said to send as many details as possible. Some things were mentioned such as prevailing wage, open market price comparison, what is a repair cost vs installation cost.
 - There are some costs that are outside of the normal requirements but come up again and again and there is interest in having some guidance.
 - Some electrical panels need to be upgraded. Some installations require a new outlet or installers will position DHP near an outlet to avoid have to put in a new outlet. These might be the biggest problem to decide if they are repair or installation costs.
 - A state funded DHP would require installer to be paid prevailing wage but an open market installation would not.
 - Steve Jole-pointed out that some installers are replacing the existing heat so it is only DHP (no supplementary heat)
 - Can you use the baseboard circuit for the DHP and then decommission the baseboard?
 - BPA is interested in knowing what the average installed measures cost in your area is including multi-head system, single head system, repair cost, standard income installation and low income installation. Please send that information to jbkincaid@bpa.gov .
- **US DOE funds for DHPs in Multifamily – Steve Jole, HACSA**
 - Steve Jole shared a multifamily DHP project and how they are often cost effective in multifamily housing. Central Lincoln was not multifamily because each building is a duplex.
 - Riverview terrace in Cottage Grove and Laurelwood Terrace have been completed. They found a way to reduce costs by contracting for a whole project at once.
 - Required a walkthrough for all of the bidders.
 - They used Daiken DHP
 - They did not purchase the extended warranties but they haven't yet figured out the multifamily service contract.
 - HACSA developed a checklist for this DHP project that could be used for any multifamily or rental project:

- Set up informational food based meeting with tenants prior to any activities
 - Give timely notices to tenants when their units will be entered
 - Require all contractors to look at all unit types at the pre-bid walkthrough
 - Set reasonable project time line and require awarded contractor to provide a tight schedule before the job starts
 - Set informational food based meeting with tenants to go over what is to be expected and share the project schedule.
 - During the project, have an owner representative on site to open unit and deal with tenant issues.
 - Use wall mount thermostats rather than unfixed remotes that can easily be lost.
 - Schedule building inspectors while tenant notices are still valid
 - Immediately upon completion of project, follow up with training for tenants and maintenance staff
- **Ideas for Cost Containment – Travis Hardy, Northern Wasco PUD**
 - Travis found that other utilities and CAPs are paying less for DHPs. Wanted to reduce time and paperwork as well as cost. Discussed the variation in bids that he was getting-labor cost could be 250, 1600, or 1195 from 3 different bidders. Reviewed and compared each invoice. Discussed ways and his plan to bring down costs and landed on generic pricing.

Discussion How to Serve Renters

The group discussed that multifamily is commonly understood as any multiunit property but that there are specific requirements for “Multifamily” measures in the utility program. The checklist that Steve created can be applied to any multi-unit or multifamily project—even any rental project. Providing that coordination role is key, as Faith mentioned. We will work on developing these tips more to create a rental or multiunit/multifamily section of the LIEE Quick Start Guide. [This was put into an article on Conduitnw.org. Anyone in the workgroup is welcome to provide comments or additions to it. We would like to get at least one page on this into the Quick Start Guide n 2017.]

Wrap Up

BPA will discuss how best to provide guidance on installation and repair costs and get back to the group. The next meeting is set for January 31 from 10-1 in Seattle.