

Low Income Energy Efficiency Workgroup Meeting #1

January 27, 2015

PNGC, 711 Halsey Street, Portland and by phone

Summary

47 utility, community action agency, state, NGO and BPA staff attended the second meeting of the working group. After introductions/announcements and a recap of the group purpose and November meeting BPA, state and CAP agency staff delivered two “boot camp” sessions to help all stakeholders understand the two main processes through which low income energy efficiency projects might be delivered in Northwest public power territory. Todd Blackman, Franklin PUD, is putting a panel together for a session at the Efficiency Exchange conference in April and is looking for winning strategies for acquiring low income energy efficiency. The first session focused on programs funded by BPA grant money and administered through the states to CAP agencies that work in the utility territory and sometimes combine federal, state and local funding with utility funding at a site to implement low income energy efficiency. The second session focused on how utilities use BPA’s program offering to capture savings in households within their territories, sometimes in collaboration with the CAPs and sometimes independently. After the presentations, the group had a broad discussion about barriers to reporting savings. It became clear that there are two distinctly different topics under reporting: the physical reporting of data to an entity via web, etc. for state, utility and BPA purposes and the reporting requirements could be simplified, or at least better understood. At the next meeting, April 20 in Portland, we plan to have a checklist for CAPs and utilities who may wish to discuss which measures they want to collaborate on, present more information on which reporting systems are being used in the region, and walk through the documentation and reporting on a few real project examples.

Attendees

In Person

Brian Fawcett	Clatskanie PUD
Casey Mitchell	Community Action Tacoma Columbia County
Chuck Eberdt	The Energy Project of Washington State
Courtney Dale	BPA
Dave Kresta	NEEA
Eugene Rosolie	NEEA
Ian Bledsoe	Clatskanie PUD
Jeremy Stewart	Tacoma Power
Jim Dolan	Pacific County PUD
Josh Warner	BPA
Margaret Ryan	PNGC
Michael Furze	Washington Dept of Commerce
Nathan Heber	SnoPUD
Paul Rich	ESG

Rogelio Cortes	MWVCAA
Sarah Moore	BPA
Steve Divan	Oregon Housing Community Service
Steve Jole	HACSA (CAP Agency for Lane Co.)
Summer Goodwin	BPA, Facilitator
Todd Blackman	Franklin PUD
Wendy Gerlitz	NWEC

By Phone

Alesha Sullivan	UCAN Douglas County (Roseburg)
Anna Woehler	Grays Harbor
Bill Beuscher	Snohomish
Boyd Wilson	BPA
Chris Shoopman	OHCS
Dawn Senger	City of Richland
Donna Kinnaman	CAPECO
Eric Miller	Benton REA
Eric Shaw	CAPECO
Joan Towers	HEAT Oregon
Kathy Grey	EWEB
Kathy L. Moore	Umatilla Electric
Ken Robinette	South Central Idaho CAP
Lindsey Hobbs	Inland Power and light
Lisa Brown	Oregon Coast Community Action
Mark Ralston	BPA
Maryam Asgharian	BPA
Melissa Podeszwa	BPA
Michele Anton	Snohomish
Pat Didion	Milton-Freewater
Renee Coelho	Avista
Rob Solver	Cowlitz PUD
Thomas Elzinga	Consumers Power
Tom Schumacher	Benton PUD
Travis Hardy	Northern Wasco PUD
Van Ashton	Idaho Falls Power

Notes

Carrie Nelson, BPA, started off the first boot camp session “BPA to State Grant Program with a presentation called BPA’s Low Income Energy Efficiency Grant Program (available on the website).

DOE allows refrigerator, BPA offers clothes washers, microwaves (sometimes), DHPs. Other items can be added that are deemed measures. Deemed measures are considered “cost effective” by the Regional Technical Forum. Any measure that is installed in the BPA utility program or the LIEE grant program is cost effective. It may be more costly because we pay for all of it but they are still determined “cost-effective” by BPA, DOE or the RTF.

Are heat pump water heaters on the allowed list of measures for grant funding? No. We don't add measures to the list that are new and less researched, because if they don't work they are more detrimental to a low income home. Actually, they are “provisionally deemed measures” because there isn't enough data yet to support a full deemed measures

How do you decide how the money is disbursed? BPA allocates the funds currently based on the HUD-low income qualified population in the state. They must be spent in public power territory.

Michael Fuerze, WA State Department of Commerce, gave a state perspective on the grant program. Presentation on the website. Michael discussed a new approach, called the “Priority List”. Washington State will be using this to prescribe which measures can be installed in low income households using the grant funds. The lists are based on climate zones, heating types and housing type.

Washington will phase in this process starting in July 2015. DOE allows the use of priority lists with an approved audit tool, such as TREAT model or as a stand alone. The Washington State priority list should be up on our website next month, most likely.

Will you be switching to LEDs from CFLs? That is very unlikely.

In Washington, the Energy “Matchmaker” Program uses state capital funds for weatherization and related repairs. The Program is an incentive to utilities to get in the game and also get in the home and do repairs so that the EE work can be done and walkaways prevented.

WA Dept of Commerce tells DOE each year how they plan to spend the money through a formal “state plan.” Commerce describes training, funding allocation and unit production. They allocate the money to local agencies by the counties where the local agency operates. Commerce's quality assurance activities include re-inspections of 10-20% of already inspected households.

DOE is requiring new certification for quality control inspectors at the local and state level and requiring that the quality control inspectors is not the original auditor and has not performed work in the home being inspected. This is a burden for small programs that may only have one certified auditor/inspector, or create logistical challenges generally.

Is there any talk of detaching the DOE requirements from the other money that WA gives out? When more data comes out to show the non-energy benefits that might happen.

Steve Jole, HACSA, provided a CAP perspective:

Here is an example. \$20 from utility can be used to pay for the window. If BPA money, I can't match it with other federal funds but I can match with public purpose funds. These are r30 windows. We have a contract with a window manufacturer, so we get a great deal. We use TREAT; they use REM. \$20 per square foot from utility and \$7 from DOE. If you can't put a roof cap on a single wide then you should just walk away because everything else is going to get destroyed. With BPA being very generous on health and safety we can use that to do the other things that need to be done.

One really good thing is that we have these relationships with all of these utilities. You can't bring things to a screeching halt. They used to all end at one time and it killed us. LIHEAP can sometimes be carried over.

Do you have many walk aways? No we don't. The utility money really makes a difference.

How many projects did you oversee last year? 140 projects last year.

What stopped you from doing more? Not money. We left resources on the table. I am working on the streamlining of our processes. We met the capacity of our contractors to produce. Another CAP representation presented another perspective: It is a funding limitation for us, a smaller CAP. We run out of grease first, the stuff to pay for the critical things that aren't going to pay for SIR or exceed health and safety. Agencies in WA had sixty walkaways. The agency has to have some way to carry the cost of the visits even if they walkaway. Lack of assurance that the money will be there next month is a big problem. Knowing what your funding is going to be over a longer term is important. One good change that happened is that LIHEAP changed. Now energy systems has 18 month contracts and weatherization has 12 month contracts.

There are some utilities that want to work with the CAP agencies but have not.

Originally, caps were mostly crews and that has evolved into contracting out a lot of work. Some big ones have to go out for bids every couple of years. If you are doing multifamily sometimes those flip on you at the last minute.

State funds we move around so that we can be sure to spend the money. When you have a crew you can't spend all of your money and then lay them off.

Some contractors don't want to work with CAPs because it is so rigorous. With quality control and the skill set that is required it cuts some of the contractors out of the market.

A CAP can pay to have contractors trained and that can really help attract them to us.

In Oregon, OPUS system is used for reporting between the CAP and the state. In Washington, we want to have something like that so that we can learn what all of the funding streams are. WA just gets monthly invoices from the CAPs.

If utilities can decide what they can fund and make it clear to the CAP then that makes it easier. If the CAP knows what you can pay for and how you can pay for it that can overcome a lot of the barriers.

Action Item – Steve will write up something on what a CAP would want to discuss with a utility to figure out what they can fund. BPA can help get a conversation started. Utilities who need help should ask their EER. CAPs who need help should ask Carrie Nelson or Summer Goodwin at BPA.

Sarah Moore gave a presentation, The Life of a BPA Energy Efficiency Measure, available on the website.

Is the decrease of health costs included in the RTF cost effectiveness? If there is data, it can be considered, please send it to us. Like with ductless heat pumps, it can cut down on the mold in the home and the Housing Authority saves money because of that. The savings don't change because of that.

We have been looking at measures that have good applicability in the low income sector. Utilities don't have to pass on everything that BPA offers. They decide what they want to offer in their territory. BPA's measures don't require site audits and there is no SIR.

Sarah reviewed BPA's LIEE measures. See entire list in Sarah's slides. There has been great uptick in the DHP program in the low income sector.

Wall insulation in manufactured homes is not offered because it is just hard to do. When will heat pump water heaters be added? Right now we are trying to get a handle on the cost.

Do the cost caps include sales tax? DHP costs are now coming in a little higher because of that. You can put anything into the measure cost that is required for installation so sales tax would fall in there but you need to either get more competitive pricing or send her some data before she could consider raising the cost cap.

Costs incurred to meet requirements that are allowed but determined by the utility: income verification, removal of knob and tube, underfloor moisture, repairs required for health and safety, repairs to protect the integrity of the measure like a leaky roof. It needs to be documented as a line item. This comes out of the utility acquisition budget. We will get some real life examples from utilities in the future to illustrate how this works.

Where would something like lead safe practices fit? Or removing asbestos? Yes, those are both allowable expenses because they are federal requirements.

The Implementation Manual (IM) has been updated to include more detail. Income must be "verifiable" by another party. Examples might be a pay stub or an IRS 1040 form or Section 8. If you are a utility working with a CAP agency, they can do that for you.

BPA grant and EEI funds cannot be comingled on a measure but they can both be used on a project.

A utility presented this perspective: The documentation requirements have gotten better. We have sat down with the CAP and it has helped. They send us a copy of their field notes from pre-audit and the inspection. We don't have any issues we just have to make sure that the work has been done.

The IM says we have to have an audit or the field notes detailing the pre- or post- conditions of the home. BPA requires a lot of detail. If you do your DHP, or in our case an expanded program to let heat

pumps be upgraded, it is a bit cumbersome to work through that with the CAP agency but it can be done.

Another utility perspective: We don't have a low income program yet but for what we do offer now to get the pre- and post from the contractors is hard.

It is almost impossible to recreate the pre-conditions after the fact. We are looking for examples of CAPs and utilities that have good examples of the pre-and post-conditions.

How many pieces of paper is this? Does it have to be physically transferred from CAP to utility to BPA? BPA requires that utilities do have that information in their files. They need it to provide the reporting to BPA. BPA does not want the paper themselves. About four pieces of paper according to utilities in the audience. You need to train the contractors. If they all use the same form when reporting to you, that's really important. The difficulty is with multi-family when you have to get income verification. Sometimes you can't qualify every unit and so only some of the buildings get the EE measures. With multifamily it would be better to deem the whole building rather than unit by unit.

Suggestion that the workgroup do a boot camp on reporting.

Margaret Ryan presented a utility perspective. Each cooperative at PNGC, which has 14 members, is different. We have one budget at PNGC for EEI and then I allocate them based on their TOCA. Then they go before their board and make the case for how and how much they will spend, including how much they will spend on low income and then they will contact their CAP agency. Some utilities are doing work in LI households but they are not actually reporting it that way to BPA. And there is a lot of juggling with the utility budget too.

Van Ashton with the IDEA Group and Idaho Falls presented another perspective. We have some very small utilities there that have basically turned it over to the leadership of IDEA to determine how we are going to get their budgets spent in their service territories. We look at things almost at a monthly basis to see what projects we have and what we want to go after in terms of all of the EE projects in all sectors.

If they only do attic insulation now can they go back to the same place and do another measure later on? Yes.

Why doesn't prescriptive air sealing apply to manufacture homes? It's just really hard to do and it's a BPA-qualified measure so we are still waiting to get data. If you have data, please provide it to us.

The Low income measures are the same as the measure for non-low income but BPA pays more for the low income measures.

Notes from the Discussion on Barriers to Reporting

- What is the opportunity? There are two different opportunities: data and documentation
- What is the problem?
- What are the solutions?

- What are the reporting requirements?
- What do utilities need for EEI funded measures?
- What do the states need for the grant?

Collect data from local agencies that we fund and pass some of that on to BPA

In Washington, a database is used. Some CAPs export out of that system and send it to the utility. SNOPUD receives a copy of everything that the county does, even if it is a gas utility. That is for the utility's information, not all for BPA requirements.

A utility needs to make sure that the CAP is collecting the data that BPA needs but they could keep it rather than providing it to the utility.

Would be nice if a utility has a contract with a CAP to deliver these services then they can maintain this data and if BPA conducts oversight, the utility can request that information from the CAP.

Who is ultimately responsible? The utility is responsible for EEI-funded savings. The CAP for the state grant program-funded savings. The CAP is used to this role for the state's purpose. Utilities may have different opinions in having the information kept at the CAP. Oregon requires CAP to keep them for seven years past the contract period.

Where does WA auditor for I-937 look for those records?

Snohomish County PUD uses LIHEAP data kept at the CAP agency according to LIHEAP record retention rules to auto-enroll LIHEAP grant recipient customers onto the District's rate discount. The District retains reports sent from the CAP agency used to facilitate this according to our records retention rules for discount applications. In the past, customers receiving a rate discount have qualified without further income verification for low-income EE programs. [The SNOPUD controller approved of this process. It is unknown whether the state auditor provided an opinion or not. It is important to note that the main CAP agency for our service territory with whom SNOPUD has this auto-enroll function is Snohomish County, not a non-profit organization.]

OPUS is maintained by OHCS staff. It is used for reporting purposes and data research for program development. OPUS is utilized to report for all grant sources, not just USDOE.

OPUS is primarily set up by Oregon to help with reporting and data collection. Originally, OPUS was limited to USDOE reporting and was limited in the data captured, but it has been enhanced to track client demographics, income and job specific information including funding sources utilized and measures installed. Some utilities have been interested in getting access to it. It may be possible in the future but they (OHCS) can pull queries for data for utilities (at no/minimal cost) if not too complicated. In the next few weeks, OPUS will be able to receive the Primary, secondary and tertiary utility sources. Oregon is willing to share the database with other states and is able to because it was created with public funds, however, OHCS cannot provide support.

Washington State has something similar for reporting. Not sure about other states.

Type of data pre and post that we need, if we could get on the same page about that.

I try not to do anything more onerous than what BPA requires in the IM.

BPA could say to the CAPs that those forms work for us. The goal in Oregon is to have all of the CAPs use the same form. The counties have to agree. We have standard reporting requirements but some of the counties have their own systems for how they want to report it.

For Oregon, all agencies are currently reporting to OPUS. Caution against a standard form but a standard set of data to be collected could be effective. Utilities really need a lot of this information for invoicing BPA. Would be nice for CAPs to see what is needed for utility to report to BPA.

Wrap-up and Next steps

- We have a Conduit group if you want to share materials with the group like your income verification form or the form that you use to report to the utility.
<https://conduitnw.org/Pages/Group.aspx?RID=188>
- Next meeting April 20, 1-430 at PNGC in Portland, Oregon.
- Conference session at the [Efficiency Exchange](#) conference, April 21-23. – If you have ideas for great examples of effective programs, please contact Todd Blackman, Franklin PUD, tblackman@franklinpud.com.
- Will get a draft of a checklist for the CAP utility conversation drafted and out to the group if we can before the next meeting
- We will aim to have information on the different state reporting systems.
- We will get some real examples of low income energy efficiency projects to walk through for BPA reporting requirements.
- We will look for some examples of Income verification that would meet BPA's needs.