

Low Income Energy Efficiency Workgroup Meeting #1

November 6, 2014

PNGC, 711 Halsey Street, Portland and by phone

Facilitator: Summer Goodwin, BPA, sggoodwin@bpa.gov, 503-230-3158

Summary:

There was a spectacular turnout for this meeting, more than 60 attendees. As the first meeting of this workgroup, the facilitator led the group in a review of the Proposed Structure to serve as a kind of charter and a brief explanation of the Post-2011 Review Process, BPA's public process conducted in 2014, which led to the creation of this group. To provide background on the ways that BPA works through utilities and states to acquire low-income energy efficiency, presentations were made about how Community action agencies work, the BPA grant program and the options for using BPA Energy Efficiency Incentive. Then there was a round robin discussion of what types of new activities are underway to increase LIEE followed by a brainstorm of challenges/opportunities that this work group should focus on. An informal poll of prioritization was taken at the end of the meeting. The intent was to give folks who were unable to attend an opportunity to provide feedback. Participants remaining at end of call who provided informal response ranked training for CAPs and utilities on how the BPA program works and the process between CAP and utility highest. The next meeting will likely take place at the end of January or early February.

Attendees:

Alesha Sullivan	UCAN Douglas county (Roseburg)	in person
Amy Saxe	OPALCO	by phone
Anna Woehler	Grays Harbor	by phone
Beth Vargas	OMEU	in person
Boyd Wilson	BPA	in person
Brian Fawcett	Clatskanie PUD	in person
Brian Dekiep	NWPCC Montana	by phone
Carrie Nelson	BPA	in person
Casey Mitchell	Community Action Tacoma Columbia County	in person
Cheryl Paoli	Idaho Power	by phone
Chris Johnson	Benton PUD	in person
Chris Shoopman	OHCS	in person
Chuck Eberdt	The Energy Project of Washington State	in person
Cindy Hobbs	Inland Power and light	by phone
Courtney Dale	BPA	in person
Dan Cunningham		by phone
Dave Kresta	NEEA	in person

Dawn Senger	City of Richland	by phone
Debra Peters	Okanagan PUD	by phone
Diane	Fall River Electric	by phone
Don		by phone
Donna Kinnaman	CAPECO	in person
Doug Case	Columbia REA	by phone
Elizabeth Osborne	NWPCC/ WA Dept. of Commerce	by phone
Eric Miller	Benton REA	by phone
Hans Berg		by phone
Helen Case	Franklin PUD	by phone
Ian Bledsoe		by phone
Jacque Meier	Clackamas County	in person
Jan Dean		by phone
Jeremy Stewart	Tacoma Power	in person
Jim Dolan	Pacific County PUD	by phone
Joe Collett	CSC WX (CPA for Linn and Benton Co.)	in person
Josh Warner	BPA	in person
Kathy Grey	EWEB	in person
Kathy L. Moore	Umatilla Electric/Hermiston	by phone
Ken Robinette	South Central Idaho CAP	by phone
Kyle Haddock		by phone
Lindsey Hobbs	Inland Power and light	by phone
Margaret Ryan	PNGC	in person
Mark Ralston	BPA	by phone
Matt Deppe	McMinnville Water & Light	in person
Matthew Babbitts	Clark Public Utilities	by phone
Melissa Podeszwa	BPA	in person
Michael Furze	Washington Dept. of Commerce	by phone
Nathan Haber	SnoPUD	in person
Pat Didion	City of Milton-Freewater	by phone
Paul Rich	ESG	in person
Richard G�nec�	BPA	in person
Rojelio Cortes	MWVCAA	in person
Sarah Moore	BPA	in person
Steve Divan	Oregon Housing Community Service	in person
Steve Jole	HACSA (CAP Agency for Lane Co.)	in person
Steve Kueny	CAPO	by phone
Summer Goodwin	BPA	in person
Thomas Elzinga	Consumers Power	by phone
Tom Schumacher	Benton PUD	by phone
Van Ashton	Idaho Falls Power	by phone
Vern Rice	Central Electric	by phone
Wendy Gerlitz	NWEC	in person

Notes**Review of Proposed Structure of the working group**

- Comment: A lot of work went into the Post-2011 recommendation on low income energy efficiency. [Here is the recommendation including the preamble and principle.]

*Recommendation #1, BPA Adopt a Low-Income Energy Efficiency Guiding Principle**The Preamble*

- *Financial constraints limit low-income ratepayers' participation in traditional incentive-based programs.*
- *There are a large number of low income households throughout BPA service territory that could benefit from energy efficiency and conservations measures.*
- *Existing sources of funding, including state and federal resources, are insufficient to meet current needs.*
- *The high number of funding sources used for this work and the number of entities involved complicates effective and efficient program implementation and reporting.*
- *Current efforts sometimes lack coordination and could benefit from improved communication.*
- *Management and administration of programs usually works best when there is involvement at the local level — from the utility and low income agencies.*
- *One single solution will not work in every electric service territory and for every utility. Therefore, recommended actions are developed with a variety of options to choose from in order to ensure management and administration remains at the local level.*

The Principle: BPA customer utilities should provide equitable access to energy efficiency services tailored for low-income customers funded through utility self-funding and/or BPA incentive dollars.

The rationale for this recommendation is to set a common framework for future work and action. The principle grew out of the concern of some stakeholders that BPA and its customer utilities lacked an adequate commitment, given the need, to low income energy efficiency. Once it was agreed to the development of a principle a sub-committee was formed and task with bring a proposal to the entire group. The sub-committee completed its task on time and presented the proposed preamble and principle to the entire workgroup. There was lengthy give and take on behalf of the all Participants and the workgroup was able to reach consensus on the both the Preamble and Principle.

BPA Low Income Energy Efficiency Grant Program, Carrie Nelson, BPA

- [Slides](#)
- Carrie Nelson is program manager for BPA's Low Income Energy Efficiency Grant Program to states and Tribes.

- Does BPA share the quarterly savings reported for grant funds? Yes, we can make that available. The funding for the grant program has basically remained constant for years 1994-2013. There will be a slight increase this year for inflation. The grant funding level is set through the IPR (Integrated Program Review) process. BPA will try to make sure this group knows the timeline for that process. The IPR is conducted every other year before the Rate Case.
- This is one of the reasons The Energy Project wants to be involved \$5 million dollars is not an equitable share for low income residents. (The actual amount is less than \$5 million because of the amount granted to the Tribes).
- Deemed Measures in Grants: The BPA grants follow the DOE program almost exactly, except for a few exceptions that allow for more flexibility and less “walk aways”. There is a very limited amount of additional allowable measures that goes beyond what DOE allows (less than a handful). These measures must be deemed measures first, and part of BPA’s list of utility measures before they are added to the grant program.
- It is independent of the SIR (savings to investment ration (DOE’s version of total resource cost test). Utilities could work with their CAPs to do DHPs. Same dollar amount as utility (\$3800).

Explanation of Energy Efficiency Incentive (EEI)

Summer Goodwin explained the Energy Efficiency Incentive (EEI) as it is important for everyone to understand the meaning of the term. BPA aims for 70 percent of the capital budget to go toward EEI.

In October 2011, BPA established the EEI as the new funding mechanism for BPA-funded conservation acquisitions post-2011. Each customer is assigned an EEI budget based on its Tier One Cost Allocation (TOCA). The mechanism for BPA to assign customers their EEI budgets is through Energy Conservation Agreements (ECA) that BPA has signed with customers.

BPA will update each customer’s ECA in accordance with its EEI budget, i.e., the ECA is the contract and the EEI is the funding amount that will be included in the ECA as the *Implementation Budget*. EEI funds are expected to come out of BPA’s capital budget; therefore, these funds must be tied to the acquisition of cost-effective energy savings, per BPA’s capital policy.

The total amount of the available EEI is determined by BPA, after completion of the rate case. The amount of available EEI for allocation to customers EEI Fund will be the total capital budget less the amounts dedicated to the set-aside funds described below. The amount of capital dollars to be allocated to each of the following funds will be determined prior to the beginning of the rate period.

- Regional Program Delivery Fund. This fund will cover the expenses related to regional program delivery but *not* the associated end-use participant incentives (i.e., rebates).
- Federal Acquisition Fund. This fund will be used only to provide incentives for energy saving projects at reserve/station power federal facilities.

Using Energy Efficiency Incentive for Low Income Measures, Sarah Moore, BPA

Sarah Moore is residential sector programs lead for BPA Energy Efficiency. She presented an [overview](#) of the Low Income Energy Efficiency program that BPA offers utilities. Utilities can spend their Energy Efficiency Incentive or other funds.

Here are some of the items I've heard from customers:

It's difficult to work with our CAP—they can't (or won't) share information on our customers that they are working with that might benefit from our EEI funds/programs.

I literally have no idea how to run an L-I Wx program.

Can BPA find a way to help utilities (or the region as a whole) claim savings for the LI-Wx work going on in our service territory that we aren't paying for?

I can't get low-income customers to take advantage of our programs—even when we offer things FREE!

I have lots of low-income residents but many are in rental homes—can I and if so, how can I serve these customers?

Most of my utilities' concerns are that we (they) are paying a lot of money programmatically for minimal kWh savings. They believe there are already avenues available for low income residents to access funding through their local Community Action (CAP) agencies and the rest of their ratepayers are already in a sense paying for these programs as well as supporting other gov't regulated low-income programs (e.g. welfare, unemployment, disability) through rates and taxes. Those (the working poor) who can't take advantage of available low-income opportunities are in effect paying twice and the wealthy don't care because they can pay for it anyway. Some utilities offer reduced rates for qualifying low-income households so their LI customers are in effect not paying for EE like some of the CAP agencies/stakeholders are arguing. In Washington, BPA pays Commerce to distribute funding to the state CAP agencies so the potential of double-dipping of BPA funding becomes a concern absent BPA controls. Mostly, many of my customers fear that this effort will lead BPA down a path that will require them to utilize a portion of their funding on Low Income Programs and they are concerned they will lose their local control of their ratepayers EE dollars and be required to pay significantly higher incentives for lower savings. (This would also give the appearance that it costs less for BPA to run programs than the utilities on a \$ per kWh basis overall.) Not a good business model when utilities are facing a world of tiered rates and better use of their EE dollars to offset or keep them below Tier 2 High Water Mark is more valuable and ultimately helps all of their ratepayers including the low-income.

- Comment: Some utilities are taking CFLs off of their lists of incentives. The RTF has recently reduced the savings from some measures. In terms of CFLs some utilities want to leave them on because they are cheap and do save but others would rather incent LEDs and the consumer reaction is much better.
- The RTF is always updating the savings numbers based on data. We have to constantly consider whether they are cost-effective. Some of the measures within a measure package might be Total

Resource Cost cost effective less than 1 but as a package they have to be cost effective. We are still waiting for the final numbers on windows from the RTF.

- There has been a liberal expansion of our definition of baseline heating. Broken gas furnace and a bunch of plug in electric heaters would qualify now for incentives. See the Implementation Manual for details. For DHPs we need more historical data on the baseline heating system than for weatherization.
- Some utilities do measures in low income homes but they didn't get reported as low income measures because there wasn't a specific reference number until recently.
- Measures are cost effective at the RTF and then they go in the Implementation Manual. They may not be cost-effective for a utility to implement, but that's different.
- Tacoma Power representative said that the LIEE program is cost effective.

Overview of How CAAs and CAPs Work – Steve Jole, HACSA

- Steve Jole is Energy Services Manager at Housing and Community Services Agency of Lane County (HACSA). He provided an overview of how CAAs work but warned that action partners are diverse. "We are not one unit". "The one commonality is that we qualify everyone whether for LIHEAP, food bank, etc. It's a real asset to have that stack of applications showing qualified recipients and they are only good for a year. This process is monitored each year."

[There are three parts to LIHEAP. LIHEAP energy assistance program which is to help people pay bills and that is the majority of LIHEAP which is considered an emergency service. This income qualification has to be renewed every three months. It is based on the income of who pays the bills. LIHEAP weatherization program is just weatherization, which is a longer-term investment and you wait in line for it. This program looks at who owns the house. Income qualification is good for one year. LIHEAP furnace replacement (Heat crisis) which is also considered an emergency service. JWAPS (weatherization assistance programs) are all low income. Through energy assistance we help end users pay their utility bill. We don't want to do that every year so ideally we send out energy educators and then follow with weatherization If someone says their furnace is broken and or they otherwise have no heat we are required to provide heat . This is typically funded with LIHEAP funds through a heat crisis program and doesn't show up in weatherization. Weatherization is not an emergency service Energy assistance and the heat crisis programs are emergency services that fall-into the same category as a food bank.

- For Energy Assistance they are in our office for 20 minutes, we do a little bit of energy education. Five minutes long. Last year we had 400 households that came through our door for Energy Assistance who were BPA customers. We serve them with energy assistance services but we don't have the resources to do weatherization. We were only able to serve approximately five BPA households with weatherization due to the limited funding received. To get someone a new furnace through Energy Assistance, we don't have a lot of money for that, but we would need to get it done within couple months and that's hard because we have to use the weatherization staff in order to do the pre and post testing. We do try to schedule the appointments based on their shut off notice timeframe but sometimes we can't get in there before they get it shut off. Some utilities don't know who the recipients of LIHEAP are.

- DOE funds are allocated per state and then per agency based on population. DOE is the smallest of the WAP grants and has the most restrictions. If an agency cannot spend out their grant funds they are reallocated to a different agency within the state. DOE money is fuel blind, and funds cost effective measures. BPA grant money can only be used on BPA utility customers' homes and requires cost effectiveness. LIHEAP doesn't have an energy efficiency component and it is fuel blind.
- We also get ECHO which is PPL and PGE and those are public purpose dollars.
- BPA money you can use for any of the BPA utility territories. I get BPA funds for six different utilities. Matching up the utility and the federal requirements and for only partial payments on each measure, it gets very complicated. The more that we know about the funding source the better it is for the CAP so that they can be creative and use them most efficiently. Spending time with utilities really helped us figure out what each of our goals and problems are.
- Comment: As a utility I serve the end users by making sure that we achieve EE in our territory and spend our EEI so that we have a benefit to our utility's members by immediately keeping our rates low.
- CAPs serve the citizens and there are specifics on who you have to serve first, the elderly and households with children under 6, but a lot of it is serving the contracts that are going to end next.
- Comment: In Oregon, we put in obligated jobs into the software. It takes longer for a CAP agency to do things. Some of our money got swept because of how we reporting was. BPA says that you have to follow DOE protocol to follow the priority list. If a utility refers someone to me, I want to be able to help them. This is a big problem. And I am hoping that BPA can make an amendment to that policy.
- Comment: It made sense back when to have everyone agree to use the DOE specifications but the DOE specs have become more complicated.
- BPA: That is very useful feedback.
- Comment: if BPA doesn't follow the DOE specs then there is more flexibility.
- Comment: if you have not looked at the Standard Work Specification that DOE has, you really should because they are good.
- Question: what does it cost to income verify for weatherization? Including everything but the work.
- Comment: The energy assistance program does the qualification. Then we run a REM Design (residential energy modeling software) and trip to the home to do energy education and we build a model and a scope of work and a cover inspection (see it before we cover it). Then we do a final inspection. All costs between \$600-\$1,000. We do not have to pay prevailing wage. There is also a lot of drive time.
- Comment: 20% of the budget in a contract is about our starting point
- Comment: the issue of mixing sources of funds: when we work with a CAP on weatherization (Wx), it would be easier for a CAP if the utility would just pay 100% rather than a certain dollar per square foot.

- Comment: Better to say that you would pay for half of the measures rather than half of each measure.
- Comment: Some agencies will blow walls and the utility will blow attics

Round Robin: What is happening in the region? What else would you like to see happening?

- Comment: IDEA-Idaho power was running similar program. In agreements with CAAs, determined and allocation of funds, using turnkey programs where they can. The agencies are invoicing the IDEA for work done. Provided list of people on waiting lists to the utilities (IDEA). They have a lot less walkaways, by leveraging funding with other agencies. This came out of original work group (Post-2011 Review Workgroup 3).
- Margaret Ryan- PNGC has cooperatives (4) that are now doing work. Neighborworks Umpqua started the pilot. REHOME Oregon. Replacement of old “walk away” homes with a new manufactured home. Many barriers, but two have been completed. Appraisals are a barrier, as well as reluctance to acquiring new debt.

Brainstorming session:

- Comment: In some territories there is no problem. Matt Babbitts, Clark Public Utilities
- Community care department. Does all screening for the CAPs. They do the LIHEAP. They fund 400k a year, outside EEI funds. Sometimes CAPs cannot spend money. Might do DHP program. Needs to be able to roll funds-utility is flexible to help them with the utility funding cycle. Helps to patch holes in funding.
- Can we have information on dollars spent in all EE in comparison to LIEE?
- Each utility wants different information. Can we come up with a common form? It is an administrative nightmare.
- However the reporting mechanism is done, can it be web-based. Mechanism and data. PGE does this system. ETO. Commerce has a data system. CA also has a system-down to end user.
- BPA to provide an acceptable method for income verification.
- Comment: one of our local organizations looked into doing their own verification, and once they realized the complexity they didn’t want to do it.
- Comment: Some utilities may want to serve a higher income. Lots of referrals come from LIHEAP.
- Comment: we did this-allow for higher income. Didn’t claim them as low income.
- Question: Should the CAP agency store the info on people that don’t qualify? Could they send it? SNOUD receives this.
- Collection of best practices. Can we make a documentation of this? Can we capture this?
- How can they use the performance payment to use for admin? And how can we do repair costs? Caps can be educated on utility programs
- Agencies use “admin” as a loose term.
- Question: can the contractor just add a contractor’s fee onto the work?

- There is a reasonableness of including some of the costs of the inspection (that secures the life of the measure) as part of the performance payment coverage
- Can BPA relook at the fuel switching thing? You have to make sure the fuel switching is for the right reason.
- Training on program expectations, implementation-for grants and utilities.
- List of priorities from brainstorm is attached. Through informal poll taken highest priorities were the following, in rank order:
 - Opportunity: Understanding how the BPA utility program works and the process between the CAP>utility>BPA. BPA could provide training
 - Problem: Each utility wants different information/Opportunity: Standardized reporting requirements and System
 - Problem: funding cycles and restrictions: Utility could help CAP maybe roll those funds into future and more flexibility
 - Opportunity: Share Best Practices

Next Steps

The next meeting will likely be last week of January or early February. Unsure of location. Spring meeting will likely coincide with Efficiency Exchange Conference in Portland, which is week of April 20

Follow-up items:

1. Distribute notes
2. Request for prioritization by email or website
3. Can we have information on dollars spent in all EE in comparison to LIEE?
4. Set date and location of next meeting.

	Problem	Opportunity	What is needed?	Who will/should work on this?	Informal Ranking
1	Funding cycles and restrictions		Help CAP maybe roll those funds into future and more flexibility	Utility	4 votes
2		New measures, like DHPs		BPA	
3	Each utility wants different information	Standardized reporting requirements and systems	Maybe a web-based reporting system and agreement on the necessary data (maybe something like what PSE uses; maybe CA, ETO)		7 votes
4	Unclear what is acceptable method for income verification (not a requirement)			BPA	
5		Some utilities want to serve the next income level up	Utility may want to get those referrals	CAP/utility	
6		Understanding how utilities can utilize performance payment toward LIEE	Clarification of policy	BPA to utilities and CAPs	
7		Understanding the requirements of Wx specs better for the utility program (in progress inspections that BPA requires) and that some utilities want to do them also (not required) so it's clear what costs can be reported	Clarification of policy	BPA to utilities and CAPs	
8	Non-electric baseline system is a barrier		Remove the requirement to have a baseline electric system	BPA	
9		Share best practices	Find them and distribute the information	This workgroup	2 votes
10		Understanding how the BPA utility program and the grant program works and the process between	Training for CAPs (and utilities)	BPA	10 votes

		the CAP>utility>BPA			
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