

Recommendation Report Workgroup 3: Low Income

Introduction

Directing EEI Funding to Low-Income Residential Energy Efficiency (from the Scoping Document)

Problem Statement – The current framework may not ensure EEI funds are adequately dedicated to low income residential energy efficiency, in particular, weatherization.¹ For low income energy savings acquired through the work of Community Action Agencies, customer utilities may not be receiving credit for those savings occurring in their service territories.

Options –

- A. Status quo: the EEI framework is left as-is with no means to direct EEI specifically toward low income investments.
- B. Low income incentive: BPA and public power devise an incentive targeting low income residential.
- C. Low income requirement: BPA and public power devise a requirement targeting low income residential.

Savings credit: BPA and customer utilities devise a means to ascribe credit to utilities for low income savings acquired through the work of Community Action Agencies.

Background

- Meetings held to date: dates, special guests/presenters
 - We held four meetings in Portland: February 6; March 6; April 3; and April 24.
 - Sub-group calls on “Data Streamlining” and “Preamble and Principle”
- There are two Low Income programs (see handout for details):
 - The Low Income Grant Program which is managed by each State (ID, MT, OR, & WA).
 - The Utility Program found on page 104 of the Implementation Manual.
- Funding levels for the BPA-funded Low Income Grant Program should be addressed in the Integrated Program Review (IPR).
- Some Stakeholders have said that there needs to be more Low Income EE measures installed in the Region.
- Some Utilities have a long-standing working relationship with their local Community Action Program (CAP Agency). However, other Utilities have not worked closely with the CAP Agency that serves people in their service area.
- The workgroup walked through a typical project done by a CAP Agency and a Utility. That discussion developed some ideas on how CAP Agencies and Utilities could work closer together.
- The workgroup has identified many issues and discussed possible solutions including:

¹ Note this issue is separate from BPA’s \$5 million grant for low income energy efficiency.

- Better coordination, communication and collaboration between the CAP Agencies and the Utilities is needed.
- There has been a proposal that the Utilities be required to spend a set portion of their EEI on the Low Income based on the percentage of low income residents in their service area. The proposal was discussed in the workgroup and there was a lack of consensus, so the proposal was tabled.
- Utility credit (kWh savings) for the work the CAP Agencies are doing in their service area –especially the I-937 utilities. A Sub-group called “Data Streamlining” was formed to discuss this and the first meeting was held on March 17. That group reviewed the reporting documents that one CAP uses and EWEB. They are working on finding the “common denominators” for reporting energy savings to both the State and BPA.
- There is a need to understand better the level of engagement on low income of Northwest utilities and CAP agencies. Workgroup members crafted and distributed a survey for utilities. The CAP Agencies also said that they would like to survey their CAP Agency members to learn how they work with their local Utilities.
- There was one suggestion to consider a new program model that may reduce the administrative burden on utilities, especially small utilities, and increase the level of participation in low income programs through agencies.

Recommendations

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.

Recommendation #2, Ongoing Workgroup for Low Income

BPA reconstitute a workgroup to meet quarterly on Low Income Energy Efficiency (LIEE) in its service area to address some of the topics identified by this group, such as:

- Small utilities path to do low income work.
- Data streamlining. More comprehensive tracking system meeting requirements from U.S. DOE and BPA's Implementation Manual.
- Best practices and improved communication, coordination and collaboration:
 - Guidelines for structuring an agreement including CAP administrative costs
 - Approaches for cost control
- Align so the measures line up (US DOE requirements / Utility requirements in the IM). There are misaligned and have some conflicting requirements.
- Understand BPA's role in facilitating access to LIEE across its service territory.
- Training.
- Other topics that the workgroup may choose.

The rationale is that this was the first time in many years, if ever, that this type of Workgroup has been convened. Although we made great progress, we did not have time to develop solutions for the core issues in these meetings over 90 days. In this recommendation #2, the Workgroup asks that the dialogue continue on these important topics.

Recommendation #3, Turnkey Implementation for Low Income Programs

BPA facilitates a method or process that would allow utilities to designate some of their EEI or other utility funds for implementation of LIEE, where BPA is the administrator of the funds.

A number of Utilities that served on this Workgroup already provide funds to their local CAP Agency to install Low Income measures that meet the specifications in the I.M. Some of the smaller Utilities may not have a CAP Agency, may not do business with the local CAP Agency even if there is one in their service area, or may not have the time, staff, or expertise to do Low Income programs. The Utilities are looking to BPA for assistance in this area. BPA provided guidance that it cannot transfer EEI funds to CAP Agencies because BPA does not have an Energy Conservation Agreement (ECA) with the CAPs. The smaller Utilities have asked BPA for additional help from BPA. It is recommended that BPA spend time to determine if and how best this could work best for the Utilities, the CAPs, other Stakeholders, and BPA.

Other Remarks/ Unresolved Issues

It is important to note that at the outset of the Workgroup there was common ground on two important points. One was the need for better and on-going communication between the utilities and the low income advocates. The other agreement is the get the group on common ground so we could mover ahead on finding solutions.

The workgroup did not develop a charter for a future low income energy efficiency workgroup or spend much time on details, such as when and where or who should be invited to attend. The workgroup felt that BPA, as the convener, will determine who should be invited and that the other details can be determined by the newly formed group at the first meeting. There was disagreement in the group about the best way to ensure that low income endusers are served by energy efficiency programs. Some stakeholders were in favor of requirements for utility spending on low income energy efficiency; others were opposed to that idea especially without addressing the fundamental structural barriers to the delivery of low income energy efficiency measures. There was agreement that the actions recommended may help.

Attachments

Two surveys were performed by both the Utilities and the CAP Agencies that are available upon request.

Please contact co-chairs directly or your Energy Efficiency Representative for follow-up

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