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U.S. EPA State and Local Climate & Energy Webcast: Better Together: Linking and Leveraging Energy Programs for Low-Income Households

November 19, 2015

Questions in bold were asked during the webcast.

Questions for All Speakers

- 1. Are any speakers aware of efforts around homeowner assistance with renewable energy (e.g., solar) as a follow-up to, or separate from, the EE /Weatherization programs?**

Jennifer Gremmert: There is an organization called Grid Alternative nationally that's starting to really reach out to do renewable energy for low-income households. And in Colorado, we have as part of our renewable portfolio standard that five percent of the load from all solar gardens that are completed in the state has to be directed to low-income households. So, we work with developers to ensure that that happens. And we are actually looking at other creative ways to initiate solar gardens to essentially deliver kilowatts to household in lieu of cash assistance and that's something that's being developed currently.

Mark Wolfe: We are starting to see states look at using additional subsidies for low-income families to use solar. I think New York just adopted a new additional tax credit for low-income households. And another state has been looking at the data on their solar programs and finding that it's mostly going to well-off families and they're concerned about the grid being increasingly subsidized or operated disproportionately with the impact on low-income families. So, it's now starting to be looked at because all the early adaptors for solar were better off families. This is kind of a new development and there's a separate approach for multi-family and single-family just because the way that the buildings are financed.

- 2. In the small multi-family sector, is anyone aware of programs that allow landlords to access utility or state energy efficiency subsidies in cases where their low-income tenants do not want to submit documentation to qualify for WAP?**

Jennifer Gremmert: The way that DOE defines multi-family is five units or more. So, we'll work with a building as long as we have verification of income. Typically we work with the housing authority or there's a HUD-funded program. Or, in the case of a private landlord, we do have to get income information from each client, but they don't have to individually fill out a weatherization application. We do that centrally through the building owner, then the entire building can be served. The rules are that 66 percent of a building has to have income-eligible households in order to be served with state weatherization funds.

On the utility side, we're able to go to a higher income threshold. In Colorado, that's up to 80 percent of average median income. And so yes, those smaller multi-family buildings can access the program and we administer that for the utility companies.

Sharon Palmer: With EEA, we also work with affordable housing organizations that have income qualified tenants. Just like Jennifer

3. How important in your mind is it that there be a single point of information/distribution for EE programs?

Mark Wolfe: I don't think it has to be a single point of contact, but it does make a big difference, so I think it's incredibly important. It just makes it a lot easier for a family.

Sharon Palmer: With the EEA and LSP collaboration, we found it to be a pretty great collaboration. With LSP, they have customer advocates that a customer is assigned to, so they have that relationship and the fact that we now have this referral tool that empowers the customer advocate when the customer calls them has been great. Because they're the trusted source, the customers call them, they're able to communicate back with updates, and so the customers have that one contact that they know they can come back to and get updates. So, it's been great.

Jennifer Gremmert: I would agree. I think to make it as easy for the client as possible. The system of how people access help has gotten very complicated and people do have to fill out multiple applications and go to different locations and it just discourages participation. I think to the extent that we can really try to serve these households' needs and get them to self-sufficiency in an integrated, holistic, seamless way is the goal.

4. I live in the San Francisco Bay Area, we have a large immigrant population that has minimal English skills. Have you run into this issue and have you found methods that are successful in reaching out to different communities?

Jennifer Gremmert: In Colorado, we have worked to have all materials translated into the appropriate language when we have dealt with immigrant communities. We also spend more time on going over our behavior change programs which help these communities understand how energy is used in the US compared to other places. We talk a lot about cost and comfort and trying to balance between the two.

5. How does a state address the significant differential in the level of funding for electric vs. gas programs? (In Illinois, for example, funding for gas programs is significantly less than available electric funding.)

EPA: Funding for gas programs is often prescribed by state energy efficiency standards. Many of those policies generate funding for energy efficiency programs from utility customers based on sales, and the funding for electricity saving programs and gas saving programs is separated. For

natural gas, the funding is in large part tied to the price of natural gas which has dropped significantly the past few years resulting in less funding for gas programs. Many states and utilities structure programs to perform comprehensive building energy upgrades, but often have gas-targeted and electric-savings-specific programs as well. States can address the differential in funding through legislative action (i.e., change the funding formula). Outside of legislative changes, states can incentivize utility collaboration and allow utilities to count gas and electric savings achieved toward their energy efficiency targets, regardless of whether they are an electric or natural gas utility.

Jennifer Gremmert: We have worked hard to advocate for both gas and electric utilities to include low-income energy efficiency programs as part of their portfolio and this has been successful. By demonstrating that you can deliver whole house or whole building programs you can really deliver significant gas savings to utilities. We also leverage private funding to assist in paying for the gas measures which is critical.

6. I've read that bundling in attic clean-out assistance increased participation—this was in Germany. Has that been tried in the US?

Jennifer Gremmert: I am not aware of it, but I think it is a great idea. There is an organization called *Rebuilding Together* in many states that offers home repair services as well as safety modifications. They have been adding energy efficiency upgrades to that mix. This bundling of services, especially for seniors or disabled individuals, is a great way to deliver multiple programs with limited interruptions to households and may indeed increase participation.

7. Have you seen successful examples of utilities/state agencies/non-profits connecting low-income ratepayers to renewable energy projects? California has used LIHEAP funds to install solar on LIHEAP-eligible homes, which provides long-term bill savings. Wondering whether there are other successful examples of this in other states?

See response to question #1 for all speakers, above.

8. How are air agencies involved in these programs? Or is this more a forward-looking air issue as the CPP and CEIP rolls out? How are air agencies envisioned to play a part in these social services?

EPA: State and local air quality agencies aren't traditionally involved in delivering energy efficiency programs to low-income communities, but more will potentially become interested in understanding how these types of projects typically work and what the best practices are for being successful as states consider whether to participate in the CEIP.

9. I know that the state of CT participates in low energy programs through LIHEAP and the Department of Economic Development, but I haven't got a complete picture of how the various programs work. I am hoping to look into this a bit more with our Lead and Healthy Homes

Program at the DPH and perhaps conducting outreach to DCD to update information on eligibility—especially when asbestos is involved. It does complicate energy audits and leaves some homeowners with their hands tied as to next steps when asbestos is present. If you have any information on federal programs or know where I can get more information specific to CT I would appreciate that information.

Jennifer Gremmert: Most weatherization and utility-funded efficiency programs cannot deal with lead or asbestos abatement. In Colorado, we partner with an agency that is specifically funded to do remediation, or the building owner has to pay for that work to be done before any efficiency work is complete. We do work hard to ensure that work is not stopped if lead or asbestos is found. If you have a Lead and Healthy Homes Program and the residents of those homes qualify for the efficiency programs, then ideally the two programs should get connected. There is an organization working on this exact effort nationally, <http://www.greenandhealthyhomes.org/>.

Questions for Victoria Ludwig and Jacob Moss (U.S. Environmental Protection Agency)

1. Is this call aimed at air agencies or more towards social services or state energy agencies?

The call is aimed primarily at state and local air quality, energy, environmental, and social/human services agencies that are interested in learning more about successful energy efficiency programs targeted at low-income communities. Some of these agencies don't traditionally work in this area, but we know that some would like to better understand and even start working in this topic due to the multiple benefits energy efficiency programs in low-income communities provide: air pollution benefits, utility bill savings, energy savings, greenhouse gas emission reductions, job creation, etc.

2. How transparent should the programs be? I've been working with Community Housing Partners of Virginia and am having trouble finding out how many houses have been worked on this calendar year since they came into our county.

For work performed with support from DOE Weatherization Assistance Program funding, local community action agencies report all information to the state human service agency responsible for WAP administration, and may be the best source of information for those seeking to leverage WAP-funded projects. Energy efficiency programs mandated by state energy efficiency standards report outcomes to the state public utility commission as required by legislation or the state public utility commission. Utilities may also publish annual reports on program outcomes. Any work done by service providers with support from utility incentive programs will likely be reflected in those reports. Also, when the work performed requires a building permit to be issued (which is often the case), the local building official would have information on work that was performed that required a building permit.

3. I understand that—in addition to publications, webinars, and listening sessions—EPA is planning region-specific "workshops" for nonprofits, community organizations, and other stakeholders on how to operationalize the EJ-relevant aspects of CPP. Is there a calendar of these

workshops? (We have heard, but without solid info, that Region 3 will have a workshop in Washington DC in mid-December—is it possible possible to confirm?)

As part of the comment period on the proposed Federal Plan and Model Rules for the Clean Power Plan, EPA is asking for information and comments from communities, states, tribes and other stakeholders. Through both the Headquarters and 10 Regional Offices, EPA has conducted a variety of outreach activities to connect with communities about the proposed Federal Plan and Model Rules, including sharing information about the CEIP. More information about these activities, both past and upcoming, as well as detailed information on the Clean Power Plan and communities can be found at the Clean Power Plan Community website at <http://www2.epa.gov/cleanpowerplan/clean-power-plan-community-page>.

Questions for Mark Wolfe (National Energy Assistance Directors Association)

- 1. Can you tell me what the source is for the fact that low income families spending 4x as much on energy? I have been looking for support for this point. Thanks!**

It's a commonly used number that I could send back-up for or close to. Some of it is also a function of how you define low-income, so you'll see very poor families sometimes spending 15 to 20 percent of their income on home energy. If a family is making a fixed income of say \$10-\$12,000 a year, the proportion of spending on home energy can easily hit a number that high.

- 2. Do you mean low income spends 4X relative to income, not real energy use?**

Yes, the figure is that low-income households spend four times the share of income that middle income families do.

- 3. In your experience, have you found that local agencies prefer the potential flexibility with utility funds or would rather have to conform to the DOE guidelines for weatherization for uniformity?**

No, they prefer flexibility because the utility funds as well as the LIHEAP transfer money can be used to fill in what the DOE money can't. They can use the LIHEAP funds and sometimes the utility funds to look at health and safety measures. It's much more flexible than the DOE money. The DOE money is a lot more rigid and so, at least from my experience, it seems like states prefer the flexibility that comes with other funds, so that they come up with the best solution for families.

- 4. Can you please provide the sources for the following statistics?**
 - a. Low income families spend on average 4x the amount spent by middle class families on home energy*

In FY2014, the mean burden for low-income households was 10%. Meanwhile, in FY2014, the mean burden for non-low-income households was 2.4%. About one-third of low-income households have an energy burden greater than 15% of income. About one in six low-income households have an energy burden greater than 25% of income. These statistics will be published by the U.S. Department of Health and Human Services (HHS) in the FY2014 Home Energy Notebook by the end of the year.

b. 1/3 of families qualify for Low Income Home Energy Assistance (LIHEAP)

To be precise, 1/3 of all households qualify for LIHEAP based on the federal eligibility definition of 60% of state median income or 150% of the federal poverty level, whichever is greater.

c. 50% of these are home owners

This is not a precise statistic. I meant to say that about 50% of lower income families, again using the above definition, are homeowners. Many of these families are elderly and/or live in the southern and western sections of the country where lower income homeownership rates are higher. This is based on 2000 Census data. Because of the economic crash a few years ago, it's possible that these numbers now overstate the relative rate of lower income home ownership.

5. Many people are opting for energy audits as a first step in obtaining financial assistance, but many can't even get that far due to the presence of asbestos (boiler, pipes, vermiculite in attic, etc.). Is there any funding set-aside to help people deal with this issue?

WHEEL loans can be used to replace furnaces, including those with asbestos issues. Most utility and WAP grant programs have safety measures to work around those issues, but they don't generally pay for lead or related abatement measures.

6. The floor for participating in WHEEL is a FICO score of 640. What steps are needed to expand the program to be more accessible to the low-income households who need it most?

About 10% of the borrowers are currently low-income. We are looking at increasing marketing and outreach to lower income households. Many low-income families have good FICO scores. It's not practical to go below 640, because at that point the borrower is considered "sub-prime" and at high risk of default.

7. What specific states have such "gold standard" caps on percentage of household income to be spent on energy? (How are the excess charges subsidized/absorbed?)

I assume you are referring to the "percent of income payment plan." Ohio has such a program. Illinois just ended their program. The excess charges are usually covered by a combination of LIHEAP and utility funds.

Questions for Jennifer Gremmert (Energy Outreach Colorado)

1. Do your non-investor-owned utilities invest funding? If not, why?

Many of them do invest funding in our program. So, for example, if we have a utility that is an investor-owned gas utility and there's a coordinated either real electric cooperative or municipal utility, they'll typically kick in funding for the electric measures that we install either in a single-family home or a multi-family home. It just depends on the service territory and their individual philosophy, but I would say, what we're seeing is more and more participation. The more that we reach out, the more they're seeing that their customers want those choices. And they've been really responsive because we're able to again leverage multiple funding sources.

2. Can you offer any examples of some corporate donors referenced in the matrix? What industries have done so?

We have a lot of oil and gas producers in Colorado that have really stepped up over the last decade or so to support this. We also have kind of a broad base—for example: banks that use some of their community reinvestment funds for our programs, large manufacturing operations. Really sort of looking to who are the corporate leaders within your community, looking at what their grant guidelines are, and we typically apply under serving either human services needs or increasingly we're working to leverage our energy efficiency programs. Also, a lot of the contractors that we work with will support us on the manufacturing side, for example giving us discounts on equipment which we can provide as in kind support.

3. Colorado has less than 20% renewable energy—most is coal. Generally, energy assistance goes to existing energy producers (i.e., mostly coal fired). Are there any projects aimed at using energy assistance programs to incentivize a shift to clean renewable energy for assistance-receiving households?

Yes, Colorado's investor-owned electric utilities have to direct 5% of electricity generated by solar gardens to low-income households. This benefit is beginning to happen and is serving families in single-family homes that qualify for current energy assistance programs, as well as in partnerships with various housing authorities where the units are deed-restricted and affordable. Energy Outreach Colorado (EOC) is also working on a solar garden model where we would develop a garden and then direct 100% of the electricity to low-income families in lieu of providing them cash assistance.

EOC's ability to income-qualify virtual stakeholders on an annual basis (because we already manage a large bill payment assistance program) is a huge benefit to this model. This ensures that renewable credits are going to households that have received energy efficiency and conservation education so that the renewable benefits are maximized. This also ensures that households whose economic situation improves are transitioned from the program. EOC manages these households in a centralized database that tracks households across multiple programs so this continuity of service is guaranteed.

4. Is customer distrust of utilities a factor in impacting participation in utility-sponsored programs?

We have not experienced that specifically. Since we partner with local emergency assistance agencies within local communities, we are able to demonstrate that this is a benefit that the utility is bringing to the community. We will also ensure that, to the best of our ability, their service is not disrupted and that the goal in the end is that the customer will be better able to afford their bill. Our largest utility in Colorado has a team of account representatives that specifically work with payment-challenged customers and once we can connect customers to that team and they realize that there are people working to come up with solutions for them, they tend to lose their distrust.

5. Are there any plans of extending your model into other states?

Energy Outreach Colorado (EOC) often works with states to help them bring the programs and policies that we have developed here into their state. EOC is not considering organizational expansion at this time, but we are happy to be a resource to help brainstorm ideas, share policies and practices, etc.

Questions for Sharon Palmer and Jason Sparks (DTE Energy)

1. **Jason referenced that the LSP program is "grant-funded." What specifically does that mean, and where does the grant come from? Do non-low-income customers pay to support this program?**

Jason Sparks: So there are a couple of funding sources in Michigan. We have what's called a MEAP fund or Michigan Energy Assistance Program, which is partially funded by LIHEAP to the tune of about \$50 million. And then it's partially funded by a surcharge that all customers in the state of Michigan contribute. That's about another \$40 million. So, it's a \$90 million pool within the state—about half funded by LIHEAP and then half funded through a surcharge for all of our rate payers.

2. **Can DTE provide the marketing strategies that drive the participation in the Programs?**

Jason Sparks: We partner with a number of community agencies to enroll customers on the LSP program. Our largest partner is United Way for Southeast Michigan. Then we also use THAW—which is a local agency, Salvation Army, and a couple others. And there are a couple ways. One is walk-in traffic and there's a lot of walk-in traffic. There are a lot of folks that call United Way 211 for assistance or go to THAW for assistance. So there's a lot of walk-in traffic for folks that are perhaps qualifying for other assistance that then also enroll on LSP. But we also do some outbound campaigns as well.

And we'll typically target customers that fit a consumption profile that we're looking for and also fit an arrears profile that we're looking for. For this particular program, we're ideally looking for customers that have the income, but lower income obviously. And then we're also looking for customers that do have some sort of payment history. So folks that want to make payments and want to contribute toward their energy bill, but they just don't quite have the funds to do so. So folks that just quite frankly aren't making payments probably aren't an ideal candidate. So we'll go after customers that do meet a specific profile for us.

Sharon Palmer: For the EEA program, we have limited funding, so our marketing is really limited. So, we really use our partnering agencies and we'll give them an allocation of how many customers they can serve and we'll provide them with co-branded materials that they can give out to the customers. So that's one way. We also go to a lot of community events like customer assistance days that DTE may have. We'll find a low-income population that's there and we'll get a lot of good leads from that.

We also do some cross-promoting. For example, with the lighting distribution program that I talked about earlier, on that box of LEDs, we'll do some promotions of our other programs like our refrigerator replacement program. We definitely use that as well and we get a lot of feedback from that. But for the most part, like I said, our marketing is pretty limited. If the agencies need help marketing their programs, we'll give them co-branded materials. But that's about it.

3. How do you initiate contact with the low-income households? Do they come to you, if so how do they find you? Do you do outreach, and if so what kinds of outreach has been effective? (Do you send notices with their energy bills, tables at fairs, etc.?)

DTE's Energy Efficiency Assistance Program engages low-income customers through multiple channels. The first is through a network of participating organizations that already provide social services to low income households. In this channel, qualifying clients that are seeking a variety of social services from participating organizations and that may already be income qualified for other programs are offered DTE-supported energy efficiency services. In addition, DTE promotes the EEA program to customers through co-branding of marketing materials with these same agencies. Specifically, DTE produces compelling marketing materials and provides those materials to participating organizations or does direct mailing to customers on behalf of the participating organization. As described in the presentation, DTE also promotes the EEA program through its fuel assistance customer advocates who contact customers enrolled in fuel assistance and offers EEA program services. DTE also promotes the EEA program at a variety of community and faith-based events, in mailing campaigns to targeted customer groups (e.g., senior citizens), on its website, and via its toll-free customer service call center phone number.

4. I am still unclear where DTE Energy gets the funding for the weatherization services.

DTE Energy Efficiency Assistance program funding comes from a portion of utility bill surcharges paid by all of its customers. This funding is mandated as part of the state's Public Act 295 that requires utilities meet energy efficiency targets and stipulates that a certain amount of the funding they recover from the surcharge go toward low-income home energy efficiency improvements. Approximately 10% of the total amount collected for energy efficiency programs goes toward low income programs in Michigan.

5. It was mentioned that the Detroit Low Income Self Sufficiency program had the excess cost (above cost of energy delivered to low income households) covered by "grants." What grant sources: federal, private?

See Question #1 above.

6. I would love budget especially per household served for the DTE programs!

\$1000-\$2000 per home is an estimated average across all of the EEA subprograms, but it varies by program.

7. Can you elaborate on how SEED works?

The Supporting Energy Efficiency in Detroit (SEED) Homes program is a subprogram of the DTE EEA Program. Whereas the majority of EEA services are typically provided by participating organizations with support from DTE incentives, the SEED program directly engages customers via referrals from the fuel assistance program at DTE. SEED provides a home energy audit, weatherization, refrigerator replacement and HVAC services from a menu of the more cost effective measures. In this way, it is not very different from your typical weatherization assistance program. However, it removes some layers between the utility and the customers by directly engaging and following customers through the energy service journey with a single point of contact at the utility. It allows the utility to serve more customers with comprehensive whole home performance whereas there are often long wait lists for Weatherization Assistance Program services at community action agencies. It is a lever to help ensure utilities have flexibility to achieve their program goals if the work by nonprofit participating organizations active in low income programs needs to be supplemented.

8. Were you part of the Stanford study in Michigan that found less energy savings than anticipated because thermostats were set higher?

DTE was not part of the study. The U.S. Department of Energy (DOE) recently conducted an analysis of the Weatherization Assistance Program nationwide, which can be found at: http://weatherization.ornl.gov/Retrospectivepdfs/ORNL_TM-2014_338.pdf. We encourage you to review that analysis.

9. During that same Stanford exercise, they found terrific difficulty in getting people to participate. Took massive effort, advertising, etc. How do they do it now?

The U.S. Department of Energy (DOE) recently conducted an analysis of the Weatherization Assistance Program nationwide, which can be found at:

http://weatherization.ornl.gov/Retrospectivepdfs/ORNL_TM-2014_338.pdf. We encourage you to review that analysis.

10. When referring to "Other Program" on Slide 11, what are the other programs? Are you referring to other low-income programs you have?

We are referring to other low-income assistance programs that are available to DTE Energy customers.

11. How can this translate for use in NJ?

Many of the strategies used by DTE could be used by utilities in other places. For example, partnering with community agencies to reach low-income households, directly engaging customers with a single point of contact at the utility, and cross-promoting programs can all result in increased benefits. In New Jersey, several utilities offer programs and resources to help low-income households (e.g., PSE&G—

https://www.pseg.com/home/customer_service/bill/help/index.jsp, Jersey Central Power & Light—

https://www.firstenergycorp.com/content/customer/help/billingpayments/assistance_serviceprogram/jersey_central_powerlight.html).

12. For LSP, which agency/staff serves as central coordinators?

For the LSP program, we partner with the United Way for Southeast Michigan, The Heat and Warmth Fund, Michigan Community Action Agency, Salvation Army, and True North to enroll and validate our customers, as well as to provide self-sufficiency services.