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March 31, 2015

MEMORANDUM

TO: Council members

FROM: Brian Dekiep

SUBJECT: Panel Discussion on Low Income Energy Efficiency

BACKGROUND:

Presenters: Ray Ellis, Manager Lincoln Electric Cooperative, Eureka Montana.

Jim Morton, Human Resources Council, Executive Director District XI
(Missoula)

Diego Rivas: Montana Policy Associate, Northwest Energy Coalition

Brent Barclay, BPA: Energy Efficiency Programs Manager

Summary:

Bonneville Power Administration's low-income program began in 1980, serving the states of Oregon, Montana, Idaho, and Washington. Over time the program expanded beyond the Low Income Weatherization Program and is now called the Low Income Energy Efficiency Program (LIEE). In addition to weatherization, the program offers some efficient appliances, heating systems, and compact florescent bulbs. Originally, the entire budget was distributed to the state programs. However, in 1999, to assure that tribes were receiving an appropriate share of the services, BPA began withholding a small portion of the budget for tribal programs. These funds are distributed directly from BPA to tribes residing in BPA's service territory.

The budget for the LIEE program is set by the BPA Administrator and is implemented through the Energy Efficiency group. It is completely separate from the Energy Efficiency Implementation budget designated to BPA's public utilities for acquiring savings toward the Council's target. The total budget for the FY 2014 LIEE program is \$5.15 million. \$4.6 million is distributed in BPA's territory across the states of Oregon, Idaho, Montana, and Washington in the grant program. The remaining \$515,000 is directly distributed from BPA to tribes residing in BPA's service territory. Individual state budgets are based on the amount of low-income persons residing in that state, as determined by census. The states then distribute their grant program funding to the local Community Action Agencies (CAPs). The CAPs invoice the states once the efficiency work is completed, and then the states invoice BPA. All work is reimbursed dollar for dollar. The states and the CAPs manage multiple funding sources, and often one home will be completed using several funding sources.

Funding for the utilities low income programs comes from the utilities' EEI budgets or self-funding, and there are no requirements or restrictions regarding how much of their budgets utilities must spend on low income programs. Reimbursement for the low income deemed measures are paid on a 100% cost reimbursement basis from BPA to the utility.¹ Utility funding can also be used on the same home that is receiving grant money, but the money cannot be co-mingled to complete the same measure.

As part of Post-2011 Review, BPA agreed to convene a low-income energy efficiency workgroup. The work group goal is to share information and develop best practices in order to increase low income residents' access to and uptake of energy efficiency services across the Northwest. The LIEE working group has met twice since the conclusion of the Post-2011 review.²

¹ Replacement windows are an exception to this rule and are currently paid at the lesser of \$20/square foot or actual costs incurred.

² <http://www.bpa.gov/EE/Policy/Pages/Low-Income-Efficiency.aspx>

Messages from the Post 2011 review include:

- 1) 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.
- 2) The number of funding sources and the number of entities involved complicates effective and efficient program implementation and reporting.
- 3) Current efforts may lack coordination and could benefit from improved communication. Management and administration of programs usually works best when there is involvement at the local level. A one size fits all 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.

Topics for discussion at the April Council meeting in Helena:

- 1) How is Energy Efficiency in low-income communities working with all its components (State, Federal, Tribal, BPA, and Utility Programs)?
- 2) What are some of the obvious barriers and problems with the existing approach?
- 3) Suggestions from Panelists on how to improve the overall penetration and effectiveness of LIEE programs, to increase EE for low-income people.
- 4) Approaches and programs that have been developed and implementing in other regions or utilities that have been successful.
- 5) Are there things that the Council might include in the 7th Plan that would improve LIEE services?