UTILITY-ADMINISTERED LOW-INCOME PROGRAMS IN THE SOUTHEAST: A LANDSCAPE ASSESSMENT

Highlights from SEEA's July 2016 Report

Full Report
http://wp.me/a5WT9H-oH

Webinar of the report

Highlights

Key Learnings

- This report provides analysis of 28 electric utility-administered energy efficiency programs operating in the Southeast, most of which were Investor Owned Utilities (IOUs).
- Context of entrenched poverty in the SE and energy burden is critical
- **Coverage** - while the largest MSAs in the SE are covered with low-income program availability, only about half of the SE MSAs with the highest poverty levels were served. Pilot programs in some of these areas are up and running.
- **Qualification** for most programs is based on federal and state poverty guidelines, or less commonly earning caps. VA provides an exception with eligibility determined by age, a likely trend to increase with aging of baby boomers.
  - A number of utilities in AR/KY are using usage and inefficiency level as qualifying conditions for low-income program eligibility
  - Pages 17-18 of report provide a full listing of program eligibility requirements
- **Program delivery model** - ½ of those analyzed were direct install (light bulbs, showerheads, etc. with lower program costs and lower energy savings), ½ were weatherization/whole building offerings (HVAC, insulation, etc. with higher program costs and higher energy savings)
  - Duke Energy was the only utility providing both direct install and weatherization programs in the same jurisdictions
- **Cost-effectiveness** of low-income programs is not generally mandated through SE. Given multiple-benefits of these programs, higher threshold for cost-effectiveness is generally allowed.
- **Investment** - nationally, median % of residential portfolio spending on low-income programming is around 18%. In SE (in 2015), it was 11%. There is wide variability in that percentage across utilities, with some spending more than 77% of residential portfolio for low-income, and others spending a fraction of 1% for low-income.
- **Clean Energy Incentive Program** should provide expanded opportunity for funding via allowance trading and EPA matching allowances, once trading scheme is fully operating.
  - SE utility-offered low-income program spending in aggregate for the SE region for 2015 was around $22M, which reflects roughly ⅓ of the potential funding just through CEIP (which also includes non-low-income programs)
  - **Effectiveness** - analysis of filed program effectiveness at meeting participation goals found again, wide range of effectiveness, but median was 75% indicating programs are generally successful at reaching “hard to reach” audience. Median of projected savings reached was closer to 80%FL, GA and NC all have enabling legislation that includes residential. NC’s legislation specifically calls out multifamily residential as eligible, and AL, AR, KY and LA all have commercial legislation, which is being opened up to multifamily properties.

- States with loan programs worth exploring further include FL's Multifamily Energy Retrofit Program (MERP) revolving loan program and the TN Loan
- Consortium for Affordable Multi-Family Housing run by Pathway Lending to provide permanent financing to multifamily developers who had been awarded a Low-Income Housing Tax Credit.

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