

A World Institute for a Sustainable Humanity ♦ The Energy Project
Community Action Partnership Association of Idaho
Community Action Partnership of Oregon ♦ District XI Human Resource Council, Inc.
NW Energy Coalition ♦ South Central Community Action Partnership

July 8, 2015

Phil Rockefeller, Chair
Northwest Power and Conservation Council
851 SW 6th Ave., Suite 1100
Portland, OR 97204-1348

Dear Chairman Rockefeller:

As part of developing the energy efficiency provisions of the 7th Northwest Power and Conservation Plan, the Council must address equity issues affecting low- and moderate-income customers who pay for energy conservation programs through their rates and bills but too often can't afford to take advantage of those programs themselves.¹

The undersigned organizations are offering several recommendations aimed at addressing these issues, with particular emphasis on the role of Bonneville Power Administration. The Northwest Power Act requires BPA to equitably distribute its resource program benefits,² but – as the Council has recognized in previous plans – BPA's efforts in this arena continue to fall short.

Many of the region's low-income energy efficiency programs use financial resources from federal programs that operate with limited budgets and are required to serve homes using all fuel types. These funds are meant to be used in conjunction electric power system funds that pay for low-income energy efficiency as part of demand-side resource acquisition. In previous plans, the Council has said these tax-supported programs should not have to bear costs that the region's electric power system should be assuming for the purchase of conservation resources. Rather, these programs complement each other, maximizing the amount of low-income energy efficiency the region can acquire.

The Council has noted that the region as a whole benefits from low-income weatherization³ efforts and that important non-energy benefits from weatherizing low-income housing have not been quantified in its analysis.

To address these issues, we urge inclusion of several specific action items in the 7th Plan:

1. BPA should continue its low-income program that pays 100 percent of the actual cost of energy efficiency measures including health and safety and repair allowances related to the installation of those measures.

¹ 1986 Power Plan, Objective #2, p. 9-11

² 1983 Power Plan, Section 6(k), p. 97

³ 2005 Power Plan, Action CNSV-12

2. BPA should determine the proportion of low-income customers within the service population, document the degree to which these populations are receiving energy efficiency program services through BPA or its member utilities, and establish a work plan for how it will serve that proportion of low-income end-use customers. For more accurate estimates of the proportionate share, Bonneville -- in cooperation with its utility program operators and other entities as appropriate -- should undertake further analysis of available data on low-income populations.
3. By FY 2016, BPA should adjust the overall BPA low-income weatherization budget to account for any shortfall in penetration rates from previous program years to facilitate steady, methodical progress. Adjustments should continue until the low-income program has cumulatively met its proportionate share objectives.
4. Bonneville should report, on a quarterly basis, progress toward meeting its budget and unit goals for low-income weatherization, including targeted tribal efforts.
5. The Council should continue to support the Low-Income Work Group BPA established in 2015 and encourage its continuation. This group is making important headway on streamlining processes and improving methods for utility and BPA energy efficiency programs to serve low-income households. BPA should ensure that BPA's Tribal Affairs office is engaged with this workgroup.
6. In addition to serving low-income end-use customers, BPA should establish a moderate-income program for households with incomes above the low-income program threshold, but below some reasonable regional household income threshold. BPA should establish energy efficiency incentive payments ("willingness to pay") for moderate-income households and provide guidance to utilities on establishing successful moderate-income energy efficiency programs that take advantage of these new incentive levels. Funds shall not be taken from low-income efforts to support this program. The Energy Trust of Oregon's *Savings Within Reach* program is a good model for making higher incentive payments to moderate-income households so energy efficiency programs reach more end-use consumers.

Again, increasing energy efficiency program penetration and home weatherization has and will benefit energy consumers throughout the region. We urge the Council to support and strengthen these efforts through the 7th Plan.

Sincerely,

Michael Karp

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cc: Council Vice-Chair Bill Booth, Council members Jennifer Anders, Bill Bradbury, Tom Karier, Henry Lorenzen, Pat Smith and Jim Yost; Council Executive Director Steve Crow