

Regarding Cost-Effectiveness of Low-Income Energy Efficiency Programs  
Docket UE-131723  
Comments of the Energy Project regarding the CR-102  
Submitted by Charles Eberdt  
October 6, 2014

The Energy Project submits the following comments in response to the Commission's invitation regarding the modification of the rules that they will use to govern the electric utilities' pursuit of energy efficiency in compliance with the passage of the Energy Independence Act, Initiative-937. Our comments are restricted to the language relating to low-income energy efficiency programs, primarily section 480-109-100.

More specifically, we are addressing the proposed language in 480-109-100 (8) (b) regarding the inclusion or exclusion of the low-income programs in the utility's evaluation of their portfolio cost-effectiveness. We greatly appreciate this Commission's sensitivity to the unique conditions low-income households experience, as well as the recognition that there must be programs that address the needs of low-income customers. After all, these customers pay for conservation programs when they pay their electric bills, just as other customers do, but their income circumstances make it virtually impossible for them to take advantage of conservation program offerings that require any monetary commitment by the occupant. Without programs that are designed to compensate for this situation, low-income households would be subsidizing programs that only their more well off neighbors could participate in.

That said, we believe it necessary to make sure that all parties understand the implications of the proposed recommendations. First, a point of clarification, the official title of the document to which Section 480-109-100 (8)(b)(i) refers as the *Weatherization Manual for Managing the Low-Income Weatherization Program* has been shortened to *Weatherization Manual*. If this is too generic, we suggest referring to the Washington Department of Commerce *Weatherization Manual* for the U.S. Department of Energy, U.S. Health and Human Services, Bonneville Power Administration, and MatchMakers, as these programs are specifically identified on the title page.

Another consideration we believe should be addressed is that the *Weatherization Manual* is likely to change and not necessarily on a schedule that is in step with the I-937 requirements. For this reason, we support the inclusion of the adoption of this document by reference in section 480-109-999, but note that the title needs to be corrected there as well. The manual can be downloaded from the following site: <http://www.commerce.wa.gov/Programs/services/weatherization/Pages/WeatherizationTechnicalDocuments.aspx>.

Second, adoption by reference allows a review of any changes that might develop. This is key with regard to low-income conservation. Implicit in the adoption of the *Weatherization Manual* is the acceptance of the use of a priority list of measures that agencies can install without running a computer program to develop a site specific calculation of an SIR. Washington currently uses a computer program called TREAT for SIR analysis, but running the analysis is time consuming and requires considerable training. For simple, straightforward houses it can be an unnecessary increase in the cost to implement the program. As a result, the Department of Commerce developed a priority list of measures deemed to satisfy the SIR requirement without running the program. Commerce updated the attached priority list this past year. The DOE reviewed and ruled to accept it just this summer. Since this list includes fairly standard major measures like duct sealing, and building shell insulation, excludes windows, and also includes common low-cost measures with a cost limit, and since the DOE has accepted its use, we believe the Commission is correct to include its use in adopting the *Weatherization Manual*. We should note, however, that it is an item that has changed over time and may again.

Finally, we are compelled to point out that the SIR calculation, like the Total Resource Cost test, fails to recognize all the benefits that accrue from the work while counting all the repair costs. This is perhaps a more significant hurdle for low-income energy efficiency than standard utility programs because the incidental repair work and health and safety measures are more frequently installed and may have greater impact. In that sense, there is more likely to be significant non energy benefits that result, whether it be the durability and life of the structure or the health of the occupants. We will also point out that the SIR will indicate what measures should be installed, but not necessarily what a utility should pay for them. The Energy Project will continue to explore ways to resolve this imbalance.

This concludes our comments on the proposed changes. Thank you for the opportunity to comment. We are available if you have any questions regarding these points or others that you believe may affect low-income utility customers.