

Unresolved Issues List

While a tremendous amount of work has been covered and a good amount of agreement achieved on a variety of issues, The Energy Project believes that an issue very important to low-income customers is left on the unresolved stack. That is, exactly how will these various agreements and rules be applied in the case of programs attempting to achieve energy efficiency in the dwellings that serve low-income households? Because of the many years of experience this group embodies, we know that the parties here recognize that low-income homes present a unique set of circumstances and challenges to utility programs, yet there is almost no explicit statement of this fact or acknowledgement that this fact may require a different application of the rules.

In fact, the only acknowledgement of this situation that we can find is a footnote in the draft Guidelines for Setting Incentive Levels (Footnote 2, p. 1). This in itself is a little ambiguous in that it states that NEEA and low-income programs “are exceptions” to the statement that “there may be certain circumstances in which one or more principles may not apply to a unique incentive level setting situation.” We believe what is intended is that NEEA and low-income programs are examples of the point being made, not exceptions to it. Nevertheless, a nod to the notion that the principles being developed “may not apply” does not provide any guidance to what does or how the agreed upon rules/policies will be applied to low-income programs. This vacuum echoes a concern expressed by The Energy Project and several of the utility companies at the conclusion of the UTC’s Low-Income Workshop on Feb. 1 of this year.

In The Energy Project’s view this group has been addressing the unique intersection between public policy and accounting. Simplistically speaking, the passage of I-937 is a statement of public policy; how savings are determined and counted is accounting. It is critical to remember that the latter is to serve the former. It is our concern, that without the discussion of how to apply the accounting rules in the unique case that low-income programs present, the accounting rules could serve to retard investment in low-income energy efficiency. The result will be to “stifle the standard of living” for the low-income customers the utilities serve. (David Goldfarb et al, *Are There Rebound Effects from Energy Efficiency - An Analysis of Empirical Data, Internal Consistency, and Solutions*, p. 21, Electricity Policy.com) We do not believe this is the policy that I-937 is intended to institute.

To be clear, this is not intended as a criticism of the work this group has accomplished over the last few months. It is to identify an issue that we believe needs further exploration and clarity to ensure the provision of adequate and equitable low-income energy efficiency services going forward.