

Regarding Cost-Effectiveness of Low-Income Energy Efficiency Programs  
Docket UE-131723  
Comments of the Energy Project  
Submitted by Charles Eberdt  
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The Energy Project appreciates the opportunity to provide these comments on the rules the Commission has drafted with regard to the revised regulations used to implement Initiative I-937, aka the Energy Independence Act. We will restrict our comments to the particular section addressing the cost-effectiveness evaluation of the utility's portfolio of programs, 480-109-010(8).

Over our 30 plus years of experience with the provision of energy efficiency in residential structures we have watched a steady growth in the building science used to determine the measures that make the most difference as well as how they should be installed and in the analysis of costs and benefits of the installations. While this is a good thing, we remain convinced that there is still a fair amount of "art" that goes with all the science. At the same time, this Commission has heard us repeatedly comment to the effect that we are not operating in a laboratory; this is not just science and engineering, but has profound public policy implications and significant impacts on lives of real people. We see the Commission's sensitivity to this latter point in the exception to the application to the low-income program of the strict cost tests that are to be applied to other energy efficiency efforts. This seems only fair to us in recognition that low-income households do pay for energy conservation in their bills, they do not have the discretionary income to partake of the typical utility energy efficiency programs, and the cost of providing many of the same measures can be significantly higher given the delayed maintenance and disrepair that is often a characteristic of the housing stock low-income households inhabit. This seems to us a point on which good public policy needs to trump the efforts to be scientifically precise.

In the absence of setting a TRC or UCT threshold for low-income programs that is less than one and that the Commission feels is sufficient, using the SIR as the Washington Department of Commerce applies it is a good option for guiding the selection and prioritization of measures. While it still does not count all the benefits that accrue from the investment, it is more effective than a strict TRC or UCT approach. It still leaves the question of what non energy benefits are to be recognized and how they are to be accounted for, however, if that benefit is not monetized in the \$/kWh savings figure applied. We will note as well that how the SIR is defined and applied has changed over the years and may continue to change.

We also support the option to exclude the low-income energy efficiency programs from the overall portfolio analysis. We do not believe the inclusion of these programs in that analysis will negatively impact the portfolio such that they utility would fail to meet their cost-effectiveness targets, but we would not want to see

utilities punished for investing in low-income programs. Nor would we want the inclusion to discourage the utilities from making such investments. We encourage utilities to perform the calculation both with and without the low-income program to see what the impact is. If negative, we expect it will not be of consequence.

Similarly we suspect that this topic is not one of the more controversial or difficult for the Commission to settle. It is significant to our programs, however. Utility funds have been more constant than the traditional DOE funding over the last couple of years. We commend the Commission for addressing the issue and will continue to work with you to provide cost-effective energy efficiency solutions for Washington's low-income population.