

Breakout Group Summaries on EE for Low Income

Workshop 2: April 28, 2021

# MFA Weatherization Assistance Program

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| Main Thoughts/Suggestions:* Greater flexibility of **how dollars are spent**, so that more money can be used for issues such as health/safety (e.g., support for elderly, roof/window replacement)
* Evaluation of restrictions regarding **where dollars are spent** - is it better to address all the needs in a smaller community (e.g., Gallup) as opposed to just doing a fraction of every community?
* Introduce mechanism for annual feedback from beneficiaries and implementers
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## What can we do to maximize weatherization program impact?

Want to impact energy burden/health and safety fully.

* Need additional sources of funding for aging in place (grab bars, tread on stairs) or safety considerations, mold issues, roof repairs.
* More money should be placed in health and safety. Maybe there are existing programs/dollars for health that can be brought to the program?
* Utility efficiency programs are driven by energy savings - so while they look at most cost effective issues, they might not always be what households truly want or need.
* Source limitations exist. Can we get different funding sources without limitation? Need unrestricted funds.

What are the opportunities for feedback on program design?

* What do beneficiaries want?
* There are not opportunities for the voices of implementers (those in the trenches) to provide feedback about how the regulations serve/don’t serve, or how money is spent.

Is weatherization the most cost effective way to reduce energy burden?

* Personal savings and community jobs created is a plus
* Single family homes need lots of help, not just looking at energy efficiencies.
* There is no tracking of actual energy savings in the program (based on formulas)
* WAP is a Federal program so there is a large burden of paperwork
* Sometimes have to turn away families if they don’t meet criteria
* DOE requires putting in a fan. Hard to get a waiver.
* Now left with other funding sources (state, utilities).

Does the distribution of funds throughout the state make sense?

* Seems like more resources are needed in small, rural, and poor areas, such as Gallup and in Taos. Seems to be only in the Albuquerque corridor.
* Need more agencies doing the work.
* Small business development centers might make sense in smaller counties

## How can we expand budgets (and be ready for federal funding)?

Perspective from trainers (SFCC)

* With ARRA dollars there was an increase in training programs and centers which had to end or close when funding ended. Need to structure the funding opportunities to create longer terms (workforce projects, equity issues)
* Training is a huge need. It takes time and need to develop crew leaders.

Perspective from implementers:

* Scaling is not a problem. Did it with ARRA (2009-2012).
* CNMHC is cross training trainers who can ramp up. Providers can ramp up, they did it before. With ARRA funding were doing 100 houses/month - currently do 30-40/month - but are used to scaling up with funding ebbs/flows.

## What are new ways of thinking? Can we provide better outcomes?

* Use rooftop solar and air source heat pumps
* There are some regulatory hurdles - for example air source heat pumps aren’t allowed by reg to be installed in mobile homes in NM
* Looking at the funding options.

# Utility Programs

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| Main Thoughts/Suggestions:* Increase % of EE dollars being used for low income households (required to be at least 5%) - this is a legislative/PRC process
* Loosen utility cost-effectiveness requirements of EE measures for low income households, to broaden scope of what can be done AFTER most cost effect measures are taken (e.g., windows, doors)
* Build off of example of NM Gas engaging in community-specific programs with Tribes and working with community partners and local implementers
* Mandate/encourage Munis/Coops to provide EE for low income
	+ Provide education to board members regarding benefits of EE, on-bill financing, etc.
* Pair new technologies (heat pumps) as well as rooftop solar/community solar to reduce bills
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## Increase in funding

* PNM/AvanGrid Merger may result in $15 million from shareholder money to be directed to LI EE programs. Because this is shareholder money and not ratepayer funds, it won’t have the same funding restrictions/criteria.
* Increase % of budget of IOUs for EE programs?
	+ Clearly, the limits on the supporting programs are “money.” Also, program design is key. For example, MFA doesn’t have sufficient $$ to address needs of the people on the waitlist.
* Lobby for MFA to get more money...to allow more on waiting list to be served.
* Issue: PNM has limited capacity to serve more customers, even if MFA offered more money.
* Look to other approaches, not just via MFA, as a way to serve more customers.
* Idea: might your entity become an intervenor in specific PRC cases, if you have not done that.

## Community specific programs

* Can the work be done as a “community block” project...serving more homes in a specific area, not just one off projects/homes.
* NM Gas: Initially full home weatherization via MFA (much federal regulation), so programs have now evolved to new programs/partners serving pueblos with a full Native American program good through 2022.
* NM Gas has asked for a variance of PRC to be able to do LI work with additional community partners or neighbor block projects

## Potential to change program requirements

* Other ways of measuring the benefits of spending the utility funds? The Total Resource Cost (TRC) test was replaced with the Utility Cost Test (UTC), which requires that any energy efficiency measure must have a certain level of cost effectiveness. No appetite for any changes via the Legislature.
* Should we look at the AZ model?
* Since the $15 million from PNM for LI EE does not require PRC requirements/texts, it is more flexible...gives more possibilities for the future.
	+ Support for heat pump technology? Support of solar?
	+ Basic weatherization work still needs to be done.
	+ Best approach remains - the “whole house approach” which is unique to each house.
* Weatherization first, then move to Community Solar.

## What to do to maximize the EE programs of the utilities?

* Ensure % of self generation in their contracts..the Gallup example. Challenge, however, to have specific program for LI EE...as generation is a “cash cow.”
* Re IOUs..metrics for their success do not indicate they are making a difference. If there is a weatherization program for the house, show the impact on the bill. Make it demonstrable. Are the programs really working to reduce energy use?
* Option of working outside the IOU/PRC process...the current example of the negotiated $15 million for LI EE projects, outside the “cost effectiveness test.”
* Caution needed: don’t pit programs against each other.
* “Capital Stacking” from the ABQ example...a whole house approach.
* Don’t overlook “indoor air quality” issues...gas leaks, CO2 detector, can’t just do EE...what is the total view for the persons living in the home.
* LP to heat pumps, a new opening vector for those served by LP.

## EE for Coops and Munis

* No overarching state program for EE in the state’s electric coops. Munis also not covered by the Public Utility Act.
* Political will required to affect change in Munis and Coops.
* Might the Coops “Good Neighbor Programs” be updated to also include EE, not just bill assistance?
* How do you inspire Coops to do more in offering EE programs?
	+ Attend meetings. Expand the By Laws to allow for EE. A vote by the Board of Directors to do more on EE.
* Some Coops have worked to advance EE programs. Funding 3rd party implementers. In other states, Coops use USDA money to provide EE upgrades...then use “on bill financing” for pay back, stays with the property, not a loan.
* Prepare a script for use by members to advocate for change at Coops and Munis.

# Scaling community partnerships and financing

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| Main Thoughts/Suggestions:* **Lack of Knowledge of Programs:** LI people don’t know about programs
* **Trust:** LI people don’t trust utilities, government, business; trust their community leaders
* **Language** barriers
* **Personal info requirements:** Unwillingness to provide personal and household info, esp undocumented families
* Communities should be the drivers of the program and co-creators. Provide paid opportunities to community members to learn new skills. Work with the community to discuss barriers.
* Funding avenues:
	+ Getting state capital appropriation funds to help with things like roof repair before weatherization;
	+ **Capital stacking model:** philanthropic funds, utility monies, safety work from city agencies, city and state appropriation monies (Fire Dept, etc)
	+ **Expand local financing options and reduce credit barriers, engage with Impact Investors**
	+ **Home rehab funds**: USDA self help program; funding and subsidizing new homeowners
	+ **Pass bill with SEED community development block grants** where community drives what they want to do
* **Resource guide/Clearinghouse** is needed for funding and repair services, **in each area of the state.**
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## Role Energy Burden plays in our state:

* **Energy bills in arrears; reduce from 27% to average of 2% will help enormously.** Sacrifice food, medical to address energy burden
* **Energy Burden:** energy not seen as a need to be green but to help their families economically; **ranges between 24-37% income -** major issue with poverty in the state.
* PNM just reported in PRC case, $20m+ in arrears or 59k households; addressing energy burden huge and it is a crisis
* **Goal: Increase income** through green jobs and **reduce energy burden** to provide more opportunities for LI households

## Barriers

* Limitations of existing programs: LIHEAP has huge waiting list
* Utility programs limited; 7 utilities in state with EE programs; challenge - to fill in the gaps; need more tools
* **Weatherization monies:** too small to serve need; **$550m annually to address** LI needs, now at $10m in NM with utility and WAP programs
* **Lack of Knowledge of Programs:** LI people don’t know about programs
* **Trust:** LI people don’t trust utilities, government, business; trust their community leaders
* **Language** barriers
* **Personal info requirements:** Unwillingness to provide personal and household info, esp undocumented families
* **Excessive requirements** for use of programs keeps people out
* **New economic problems - COVID-related;** don’t know what to do

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## Overcoming barriers:

* **City owned utilities (MUNIs)** -
	+ Gallop, Farmington, etc have a black hole in areas that own their own utilities; they are left out of these programs; poorest counties in US; struggle with utility bills; policy to build most EE housing but cannot afford much else. Out of loop in incentives. Not enough money to help consumers; incentives to use solar could help.
	+ Community Solar could work for municipal utilities even though the PRC does not regulate municipal utilities; explore further
	+ Bill assistance can help
	+ Prioritize EE in city government
* **Reformulate what the challenge is**: Community issue is key for these programs; real question: how do we max the benefits to the community to make them healthy and safe, not how can providers make more money. Communities should be the drivers of the program and co-creators. How to strengthen entire community.
* **Workforce development** in the EE world for LI communities; how would this work for undocumented LI families? Fed funds would not be accessible to LI families because of issues with social security; trying to promote different ways to back these communities. Green Bank might help. Jobs not possible because changing jobs difficult for LI people; people do not have the space to learn something else. ***Paid opportunities to learn can help LI people learn new skills. Work with the community to discuss barriers.***
	+ Consider a cooperative to reduce costs and develop a skilled trade.
* **Qualifying for a low-interest loan** possible through reduced FICO scores through green bank or other means;
* **Application barriers: Requirements for Fed money** onerous, laborious; self verification of information for funding helped overcome barrier

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## Missing Tools and Solutions:

* **Green Bank development and related programs,** like Solarize Santa Fe Program
* **Weatherization Programs: barriers to provide EE services with roof repair needs;** Getting state capital appropriation funds has helped; roof repair possible before weatherization; expires in 3 years; helps deferral rate
* **Capital stacking model:** philanthropic funds, utility monies, safety work from city agencies, city and state appropriation monies (Fire Dept, etc)
* **New financing: engage with Impact Investors** who have reduced need for return in exchange for social impact.
* **Home rehab funds**: USDA self help program; funding and subsidizing new homeowners
* **Taos: resource challenges,** who to contact, Mortgage Finance Authority cannot help; workforce to do weatherization work (Central NM Housing Corp can help).
	+ **Resource guide/Clearinghouse** is needed for funding and repair services, **in each area of the state. Developing the workforce for weatherization** as key to reducing energy bills.
* **Overcoming language barrier:** PNM: all ambassadors are bilingual; collateral is bilingual
* **Assistance Process barriers:** If family qualifies on SNAP, they do not have to prove anything else. Self declaration
* **PNM launched LI home weatherization program** in addition to EE program; new measures to expand the program. There is a drive to provide new services to families
* **Workforce development:** SFCC training for people who have jobs already; Certification for EE assessments and audits in past, free training but no jobs; Not much in NM beyond weatherization. **Expanding LI EE programs will be beneficial in expanding job opportunities.**
* **ABQ program:** capital stacking to support the homes needing work in addition to EE services; expect to learn from the pilot; create a map for what is needed for a sustainable community; ID critical needs in each home, nor formulaic. Resilience funding for roof and bldg envelope in addition to heating/cooling systems, etc. How to create a model program:
	+ **Expanding ABQ program:** Bill introduced: **SEED community development block grants** where community drives what they want to do. Did not pass; HB206