
Increasing Investment in Income- Qualified Energy Efficiency Programs – The Time is Right



National
Consumer Law
Center
*Fighting Together
for Economic Justice*

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NCLC Proposal

- 85% of Residential Budget dedicated to Income Qualified Programs
- Reasons:
 - Income-qualified customers most in need of energy assistance and efficiency measures
 - Economic shutdown has devastated Illinois economy
 - Record unemployment not seen since *during* the Great Depression
 - Hourly, low-wage workers most impacted by shutdown
 - Communities of color disproportionately impacted

Annual IQ Spending Today

- Ameren – \$31.5 million (gas and electric)
- ComEd -- \$42 million (plus \$6 million in third party IQ program commitment)
- Nicor – \$8.075 million
- Peoples Gas/North Shore -- \$8.8 million

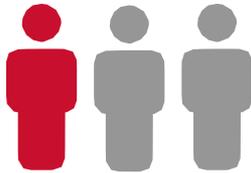
- Source: Utility 4th Quarter 2019 spreadsheets, Approved Budgets; See <https://www.ilsag.info/reports/utility-reports/>

Current Percentage of IQ Spending of Total Residential Budgets*

- Ameren – 62%
- ComEd – 38%
- Nicor – 58%
- Peoples Gas – 60%

- See 4th Quarter 2019 Utility Spreadsheets, <https://www.ilsag.info/reports/utility-reports/>

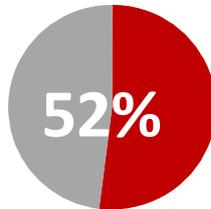
Energy Insecurity, Pre-COVID-19



Nearly 1 in 3 U.S. households faced challenges in paying energy bills or keeping their homes heated or cooled in 2015, as did 50% of households with less than \$20,000 in annual income.

25
Million

25 million households reported forgoing food and medicine to pay energy bills in at least some months and 7 million had to forgo food and medicine almost every month.



52% of African American households reported experiencing household energy insecurity, as did 44% of Latinx Households.

Illinois Poverty Statistics, Pre-COVID-19

By utility service territory (Statutory eligible population >80% AMI)

- ComEd – 47% (1.6 million of 3.5 million households served meet the 80% AMI requirement)*
- Ameren – Approximately 41% of Ameren Illinois residential customers are classified as low-income under the definition used by the IWAP (>200% FPL), which is equivalent to a household income of \$49,200 for a family of four.**

*April 2017 ComEd presentation: https://s3.amazonaws.com/ilsag/ComEd_LI_Advisory_Committee_Presentation_04112017.pdf

** ICC Docket No. 17-0311, Ameren Electric/Gas Energy Efficiency Plan, Ameren Ex. 1.1, p. 12

ACEEE

Findings/Recommendations

- ACEEE Call to Action included, among six goals by 2030:
 - *“Increase five-fold the investments in efficiency for low-income households to reach one-third of these households with comprehensive weatherization.”*
- *ACEEE Blog Post, written by Penny McLean-Conner, Senior VP and Chief Customer Officer at Eversource Energy (a utility executive)*

ACEEE Findings

Equity considerations

ACEEE analyzed data from the US Census Bureau's American Housing Survey to provide a national snapshot of energy affordability for 2017.*

Percentage of certain groups that experience high energy burdens (> 6%) nationally:

- 67% of low-income households (200% of Federal Poverty Level)
- 36% of African American households
- 34% of elderly households (65+)
- 29% of renting households
- 27% of Latino households
- Compared to 24% of all households nationally

*ACEEE, *Understanding Energy Affordability*, September 9, 2019, See <https://www.aceee.org/topic-brief/energy-affordability>

Energy Savings Goals v. Income-Qualified Equity Goals

- Recognize that utilities have annual energy savings goals requirements, per statute
- The minimum IQ-dollar-spend figures in FEJA were not based on any specific poverty analysis ("If you like laws and sausages, you should never watch either one being made.")
- Gas statute: Plans developed "...taking into account the unique circumstances of the utility's service territory."
- What is the need within your service territory?
- Are there places in your portfolios to reduce costs?
- Hope to work together to maximize IQ spending and build consensus through portfolio planning process



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