

**IL EE Stakeholder Advisory Group
Low Income Follow-Up Teleconference #3
Wednesday, April 20 (1:00 – 3:00 pm)
Attendee List and Meeting Notes**

Attendee List

Celia Johnson, SAG Facilitation
Koby Bailey, Peoples Gas – North Shore Gas (“PG-NSG”)
Rick Bain, Embertec
Roger Baker, ComEd
David Baker, Energy Resources Center/UIC
Daniel Burke, U.S. Department of Housing and Urban Development (“HUD”)
Hammad Chaudhry, Nicor Gas
Ellie Chicoski, HUD
Carla Colamonici, Citizens Utility Board (“CUB”)
Andrew Cottrell, AEG
Deirdre Coughlin, IL Department of Commerce and Economic Opportunity
Melissa Culbertson, ADM
David Diebel, ADM
Julia Friedman, Midwest Energy Efficiency Alliance
LaJuana Garrett, Nicor Gas
Keith Goerss, Ameren IL
Laura Goldberg, CUB
Mary Ellen Guest, Historic Chicago Bungalow Association
Margaret Hansbrough, City of Chicago
John Paul Jewell, Environmental Law & Policy Center
Paige Knutsen, Franklin Energy, on behalf of PG-NSG
John Lavallee, Leidos
Peter Ludwig, Elevate Energy
Karen Lusson, IL Attorney General’s Office
Bridgid Lutz, Nicor Gas
John Madziarczyk, Nicor Gas
Keith Martin, Ameren IL
Bryan McDaniel, CUB
Pat Michalkiewicz, PG-NSG
Jennifer Morris, ICC Staff
Phil Mosenthal, Optimal Energy, on behalf of IL AG
Shraddha Mutyal, Energy Resources Center/UIC
Sue Nathan, AEG
Rob Neumann, Navigant
Jeremy Offenstein, ADM
Chris Vaughn, Nicor Gas
Kate Brown, University of Illinois/PHA Low-Income Program

Ken Woolcutt, Ameren IL
Stacie Young, Community Investment Corp.
Angela Ziech-Malek, CLEAResult
Jim Jerozal, Nicor Gas

Meeting Notes

- Action items and follow-up is indicated in **yellow highlight**.
- Issues to be discussed in teleconference Meeting #4 are indicated in **red**.

Issues to Address

1. Defining “low income” and “moderate income” customers
2. Income qualification – how and whether to income qualify participants
3. **IL Department of Commerce responses to low income follow-up questions**
4. **Ameren IL – Current Low/Moderate Income Program**
5. **TRC issue – whether low income programs should be considered in the portfolio TRC**
6. **Research on low income programs in other jurisdictions**
7. Budget allocation for gas and electric; is it sufficient to serve the needs of low income customers?

Issue Description and Meeting Materials

See below for a description of each issue and meeting materials, as applicable.

Issue 1: Defining “low income” and “moderate income” customers

- Molly Lunn to report-out on customer definitions and feedback from utilities.

Proposed Definitions	EEPS Law	HUD Definitions	Poverty Level	AMI
Very Low Income	Low (budget set, customers served, programs are TRC exempt)	Very Low Income	150% and below	Up to 50AMI
Low Income	Low (customers served, programs are TRC exempt)	Low Income	150-250%	50-80AMI
Moderate Income		Moderate Income	250-300%	81-95AMI

Meeting Notes:

- Goal = provide consistency to make it clear which customers are being served.
- Stakeholders want to understand the different categories of customers being served by these programs.
- There is a definition in the Policy Manual for “Low Income” – this includes the “very low income” and “low income” categories above.
- Feedback on definitions:

- Use only 2 categories = “low income” (including very low income) and “moderate income.” Do not use “low-moderate income” as a combined category.
- Participants are concerned about combining low and moderate income, for TRC purposes (since low income programs do not need to pass the TRC Test, by statute).
- Reporting concern with too many categories; segmenting calculations between categories.
- Concerned about locking in a definition of “moderate income.”
 - The federal poverty level and AMI change every year, so there shouldn’t be a need to change how “moderate income” is defined.
- Moderate income should be “251 – 300%”; low income should be “151 – 250%.”
- Consensus proposal:
 - “Very low income” and “Low income” will be combined into one “low income” category. This follows the definition adopted in Policy Manual Version 1.0:
 - **“Low Income Customer** means a residential Customer of a participating utility with a household income at or below one hundred and fifty percent (150%) of the poverty level or households at or below eighty percent (80%) of the Area Median Income.”
 - “Moderate income” = 251-300% of the federal poverty level; 91 – 95 AMI.

Issue 2: Income Qualification

- 1- Determine how and whether to income qualify participants.
- 2- Should utilities consider federally-subsidized housing, such as Section 515, Section 202, Section 811, and Section 8 as opportunities for low income EE investment? (Assumes coordination with the Department).

Meeting Notes:

Subpart 1: Determine how and whether to income qualify participants.

- Income qualification cannot be burdensome for customers.
- Multifamily and single family income qualification may differ.
 - Multifamily = do not income qualify individual units. Identify eligible multifamily units by geography / census tract.
 - Will there be any EM&V issues with this approach?
 - Evaluators do not go back and confirm low income eligibility.
 - Elevate Energy previously reviewed rent rolls (a list of rents for each building), however they now only use census track. It’s important to coordinate with the Department.
 - Single family =
 - Customers should be income qualified; given the amount of \$ spent on a single family dwelling participating in an EE program.
 - Historic Chicago Bungalow Association EE program requires income qualification for all participants, using the last 3 months of pay stubs (or a pension statement, copy of W2, social security payments, etc.)
 - What are Program Administrators considering for single family income qualification?
 - Nicor Gas is preliminarily looking at an intake center (such as Salvation Army).

- IL Department of Commerce: Residential Retrofit uses a similar intake center.
- Ameren IL currently income qualifies all customers for the low-moderate income program. Started out looking at 6 months of financial information; currently reviews annual tax information. Ameren IL would also like the option to use census track for single family.
- PG-NSG intends to use existing organizations that offer programs to low income customers, and utilize the income qualification process that the organization has set up. Also interested in the option of using census track.
- ComEd is planning to utilize the same model as the gas utilities for joint programs.

Subpart 2: Should utilities consider federally-subsidized housing, such as Section 515, Section 202, Section 811, and Section 8 as opportunities for low income EE investment? (Assumes coordination with the Department).

- There is a great need in the federally subsidized housing category.
- Data on federal and public housing –
 - Dan Burke, HUD: We have precise income qualifications of multifamily residences, by property type. In IL, we have 664 subsidized properties, with 61,000 units (\$172M of tenant paid utilities, not including common areas). Broad footprint throughout the state. Typical property averages 100 units, with the owner paying gas heat. Tenants typically pay for lights and plugs, and we provide a utility allowance back to them. Work with a variety of private owners. Have worked with Elevate, the Department, and the Preservation Compact. The 202 and 811 housing in particular should be targeted. These units are well dispersed throughout the state of IL. These are clearly identifiable buildings and locations; we can do outreach to owners through our managers.
 - 202 – addresses the needs of the elderly
 - Ranges from 8 to 250-300 units.
 - 811 – addresses persons with disabilities
 - Buildings size – 24 units and under.
 - Kate Brown, U of I: Public housing differs slightly. There are 99 housing authorities throughout the state, with 51,000 units. There is a great capital need in IL. We are starting to look at 202 and 811; it is in the scope of work for the next program year. ERC will work with some of these buildings starting in June (ComEd – IPA). We are looking at the possibility of leveraging \$ with HUD.
- Nicor Gas previously worked with the Public Housing Program, to offer direct install to customers that were participating in that program.
- The Department is looking at a different program design to require more low-cost, high efficiency measures in complement with capital projects; however, concerned that TRC has been an issue in this type of program for certain stakeholders.
- **IL AG proposal: The utilities should consider opportunities to work with HUD, in coordination with the Department. This should be included in the Stipulation.**
 - Elevate Energy has been working in this market for the past few years – Peter Ludwig is interested in discussing further.
 - SAG Facilitation / IL AG to reach out to Dan Burke, HUD, to provide utility planner contact information. The utilities should include Elevate in follow-up discussions.

Background notes: (from Nicor Gas Portfolio follow-up call)

Nicor Comments: There are four major areas in which low moderate income customers currently participate in Nicor programs (defined by Nicor as between 150 – 300% of federal poverty level): 1. Single Family Rebate, 2. Multi-Family, 3. Kits, 4. Elementary Ed kit (plus third kit – community colleges). Target: 30,000 households that would be low moderate income (over three years)(out of total population of 460,000 customers). Meeting with the Department to coordinate. Question is how to work with vendors and programs.

- Stakeholder Question: how many are SF and MF
 - Nicor Response: In participation table.
- Stakeholder Question: Is targeting geographic or based on income qualification?
 - Nicor Response: Can assume low income by tract. Nicor still reviewing correct approach. This will be discussion with DCEO.
- Stakeholder Comment: In rental buildings, it can be very complicated. Worthy of a discussion. Don't make overly complex.
- Stakeholder Comment: Try to combine with on-bill financing program.
 - Nicor Response: Yes, we are exploring with DCEO.

Issue 3: IL Department of Commerce Follow-Up Questions:

- **To be discussed in Low Income Meeting #4.**
1. Participation in Low-Income Census Tracks
 - Provide participation data (% participants/% budget) for the following market sub-segments: Schools, Park Districts, Libraries.
 - Is participation in low-income census tracks proportional or should they be targeted to get greater uptake?
 2. More Detail Low Income Programs
 - How many low-income weatherization implementers? Who are they?
 - How many participants/year?
 - Average cost per participant
 - Average savings per participant (how were savings determined, ex ante or ex post)?
 - Eligible measures
 - i. Weatherization?
 - ii. Heating
 - iii. Any others?
 - Cost breakdown (per participant)
 - i. Measure cost
 - ii. Installation cost
 - iii. Audit cost
 - iv. DI measure cost
 - v. Marketing cost
 - vi. Other non-incentive implementation costs
 3. Does the Department get any outside funding for low income programs?
 - Does the Department or its vendors leverage other outside sources along with Section 8-103 / 8-104 dollars?
 4. What is the total spending for low income programs (most recent program year)?

5. What is the breakdown in spending (non-incentive vs. incentive costs) for low income (most recent program year)?

Issue 4: Ameren IL – Current Low/Moderate Income Program

- To be discussed in Low Income Meeting #4.

Questions:

1. Participation in Low-Income Census Tracks
 - Is participation in low-income census tracks proportional or should they be targeted to get greater uptake?
2. More Detail Low Income Programs
 - Who is your low-income weatherization implementer?
 - How many participants/year?
 - Average cost per participant
 - Average savings per participant (how were savings determined, ex ante or ex post)?
 - Eligible measures
 - i. Weatherization?
 - ii. Heating
 - iii. Any others?
 - Cost breakdown (per participant)
 - i. Measure cost
 - ii. Installation cost
 - iii. Audit cost
 - iv. DI measure cost
 - v. Marketing cost
 - vi. Other non-incentive implementation costs
3. Does Ameren IL get any outside funding for low income programs?
4. What is the total spending for low income programs (most recent program year)?
5. What is the breakdown in spending (non-incentive vs. incentive costs) for low income (most recent program year)?

Issue 5: TRC Issue – whether low income programs should be considered in the portfolio TRC

- Utility, IL Department of Commerce, and interested stakeholder attorneys to review statute and provided responses.
- To be discussed in Low Income Meeting #4.

Meeting Notes:

- The Department calculates portfolio TRC with and without low income programs, and reports both. The cost-effectiveness report (EPY6/GPY3) includes a portfolio TRC in total with all utilities (on an individual utility basis, not all are cost-effective).
- Utilities and stakeholders are still reviewing the statute.
- Utility, IL Department of Commerce, and interested stakeholder attorneys to review statute and provided a response to this question during Low Income Meeting #4.

Issue 6: Research on Low Income Programs in Other Jurisdictions

- To be discussed in Low Income Meeting #4.

Issue 7: Budget allocation for gas and electric; is it sufficient to serve the needs of low income customers?

Meeting Notes:

- IL AG is concerned about the disparity in budget, in particular between ComEd and Ameren IL (electric).
- The current Ameren IL program is geared to single family homes. Ameren presented additional electric \$ in the last Plan for joint programs, and the Commission approved it (up to 90% on incentives to electric, and 10% to gas).
- The preliminary ComEd budget is based on current data. ComEd is willing to add additional budget if the program merits it. There are more gas savings than electric savings on this type of program. ComEd is not comfortable using electric dollars to fund gas savings. Lighting provides the greatest savings opportunity. Most savings for smart t-stats are on the gas side. All electric low income (single family) – customers are difficult to reach.
- **Next steps: IL AG would like to re-visit this topic as the program Plans develop.**