

# Better Together: Linking and Leveraging Energy Programs for Low-Income Households

Webcast Transcript

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## Contents

Welcome and Introduction.....	2
The Benefits of State Program Alignment.....	7
Poll Questions 1 and 2 .....	14
Creating a Nonprofit Hub for Energy Assistance .....	15
Poll Question 3.....	22
Designing Utility Programs to Coordinate Assistance .....	23
Poll Question 4.....	30
Questions and Answers.....	31

## Welcome and Introduction

### Slide 1: Introduction Slide

Operator: Good afternoon. My name is Aterria and I will be your conference operator today. At this time, I would like to welcome everyone to the Better Together: Linking and Leveraging Energy Programs for Low-Income Households conference call. All lines have been placed on mute to prevent any background noise. If you should need assistance during the call, press star then zero and an operator will come back online to assist you. Thank you. I would now like to turn the call over to Ms. Victoria Ludwig. Please go ahead.

### Slide 2: Title Page

Victoria Ludwig: Thank you and welcome everyone. We are very happy to have you here today on our webinar which is the first of a series that I will explain in just a minute. I am a program manager with the State and Local Climate and Energy Program at EPA in the Office of Atmospheric Program.

The webcast today, we have a great line up of folks and the purpose is to highlight some effective efforts that have been happening at the state and local level and with utilities to deliver, energy efficiency, surfaces to low income households successfully. So the organizations will give – they are case studies of what they – of what has been done in order to be successful.

Specifically, as you can see, in the title of this webcast, the best practice that we're going to speak about today is showing how these organizations have been able to make connections among the available energy efficiency and social services programs in their state. And also, making connections with different funding sources in order to leverage all of that to help them in – help them be successful in their efforts. And we hope that these examples will help inform you as you work on your own energy efficiency programs and hopefully and try replicating some of their successes.

Before we begin, we want to explain a little bit logistics and how to participate today and I'll turn that over to Wendy Jaglom who is helping us with the webcast. She is with ICF International.

### Slide 3: How to Participate Today

Wendy Jaglom: Thanks Victoria and on your screen you see a screenshot of the Go-To webinar panel. You can open it and close the control panel using the red arrow in the upper left corner. Audio is available only by telephone. The call in number and conference ideas visible on your screen.

As the operator mentioned, all participants are on mute, however, we encourage you to send in questions for the speakers. You can send in your questions. You can go to webinar question panes. Simple enter your question into the box and then hit send to send it in.

We ask, if you do have a question for one of our speakers, if you could please indicate the speaker, that way we'll know how to direct your question. And if you experience any technical difficulties during the webcast, please feel free to e-mail me at [wendy.jaglom.icfi.com](mailto:wendy.jaglom.icfi.com). Back to you Victoria.

#### Slide 4: Webcast Agenda

Victoria Ludwig: Thanks. So, let's get into it. You can see the agenda. As I've said, we have Energy Outreach Colorado and DTE Energy which are the successful case studies that we're highlighting. We're going to begin with our opening remarks from us at EPA and then after that, the National Energy Assistance Directors Association is going to give a general overview of this issue of providing energy efficiency to low income households.

#### Slide 6: U.S. EPA's State and Local Climate and Energy Program

Victoria Ludwig: Before we begin with the first – with the introductory remarks, I just wanted to explain who we are. The webcast series is brought to you by the state and local climate and energy program. We are in the climate protection partnerships division and our mission is to help state in local governments reduce their greenhouse gases, improve their quality and also advance their clean energy efforts; renewable energy and energy efficiency.

We do this in a lot of ways and this slide is only a piece of what – showing what we do. The Web site is the bottom. We encourage you to look at that. Also, we have newsletters. You can sign up for them at that Web site.

We provide a range of services, tools, quantitative tools, technical information about specific clean energy and climate change topics. Communications resources, peer exchanges of which this webcast is an example of that bringing people together. We provide material to show best practices and successful approaches. We also have some guide books that explain how to implement effective energy – clean energy program at the state and local level.

We have a lot of resources but these are the two that we wanted to pull out for you that might be relevant for this topic today to help you in your efforts. And you – if the e-mail that you receive this morning from Wendy Jaglom with the presentations has the link to those two items as well.

As I mentioned, this is the first of three part webcast series on the topic of energy programs for low income communities. Each of them will focus on a different best practice that is common among successful programs and by focusing on best practices, we hope that that makes it easier

for you to try to replicate what they're doing regardless of what your specific circumstances of part of the country or situation is.

The next one will be happening in the winter and the last one will be happening in the spring. We might have more so stay tuned. You can go to this Web site at the bottom to learn – to about the future ones when they're announced. And as Wendy mentioned, this webcast, the proceedings from that will be available in a few weeks on that same page.

Slides 7 and 8: Clean Energy Incentive Program Information and Engagement Opportunities and Clean Power Plan Information and Resources

Victoria Ludwig: Sorry. So, where – let's go. We're going to – Jacob Moss who is the Acting Deputy Director of Climate Partnership Programs Division is going to start off with some introductory remarks and then we'll move on to the first speaker. Jacob, there you go.

Jacob Moss: Thanks very much Victoria. And let me first add my thanks and welcome to all of you for participating in today's webcast. We've got a really a fantastic breadth of organizations that have signed up to the webinar today and I think that's a great reflection of the interest in today's topic. As Victoria said, we've been doing this webcasts for years. They're really a core part of our ability to first distill and then communicate best practices on a wide range of topics related to state and local policy on both energy, efficiency and renewable energy. And we're really pleased that we're taking these tools and applying them more deliberately to this topic of bringing energy efficiency and renewables to low income communities.

So, as Victoria said, today's webinar is just one part of a wide range of activities the EPA is undertaking on this topic. The catalogue – we're developing a catalogue of case studies programs run by state and local agencies, nonprofits and utilities that have successfully delivered energy efficiency and renewables to low income communities or households.

Now that catalogue has been consistent probably about 15 to 20 short profiles of successful programs. These are one or two pages that will focus really on the key barriers that the programs faced and how they overcame them. And then we'll be doing a more deep dive of – it's about five to eight of those programs in developing in-depth case studies to help the communities understanding with a lot greater clarity, how the programs – how their particular programs were able to succeed in these areas.

We want the profiles in case studies to cover a wide range of programs across different parts of the country. Urban areas versus rural areas. Programs that deliver economic benefits such as job creation as well as multi-family housing versus affordable housing or a single family housing and across both energy efficiency and renewables. And if any of you on the call today have programs that you are running or participating in that you'd like to put into the mix for these profiles and these case studies, please send them our way. We'd love to have that information.

Now today's webinar is directly linked to that catalogue. As Victoria said, we're going to host several more webinars throughout the winter and spring and we want the webinars to really focus, not on specific programs per say, though you'll be learning about specific programs during them. But we really want to highlight the specific best practices that all communities can use and learn from as they think about how a design programs to most effectively bring the efficiency and renewables to low income communities.

There's one other resource I want to highlight the EPA is developing right now and that we're going to publish soon which is a resource guide to highlight EPA's own internal energy efficiency and renewable energy programs that could be of used and of benefits the low income communities. That will be coming out hopefully this month or next month.

Now this work that we're doing is also linked to some broader administration wide efforts to support the same goals. On October – on August 24<sup>th</sup>, sorry. President Obama announced the creation of interagency task force to promote a clean energy future for all that's got participation from not just EPA but also the Department of Energy, Housing and – Department of Housing and the Urban Development, Department of Health and Human Service, U.S. Department of Agriculture and several other agencies. And a key part of the task force work is to partner with both states in community organizations to identify opportunities to improve energy efficiency and scale up deployment of renewable energy in both low and moderate income communities.

The task force has already issued a federal compendium titled programs in activities to support renewable energy and energy efficiency and low and moderate income communities. And on Tuesday of this week, the National Community Solar Summit, the White House announced that 68 cities, states and businesses are joining together to promote community solar with an emphasis – particular emphasis on scaling up solar for low and moderate income households.

And then finally, the last point I want to emphasize is that I want to highlight a couple of linkages between all of these different activities in the clean power plan that President Obama and EPA announced on August 3<sup>rd</sup>. State and local government policies to encourage energy efficiency and renewable energy, both generally and also with respect to low income communities in particular can help reduce carbon pollution and therefore, they support efforts under the clean power plant.

We hope that the catalogue in this webinar series will help inform states as they develop their plans under the clean power plant. And one particular angle that I want to highlight is the – is what's called the clean energy incentive program. Which state can opt into, they can choose opt into it, and it's meant to incentivize early investments and energy efficiency and low income communities as well as wind and solar power investments much more generally low income communities and more broadly both.

Now EPA is currently seeking public input before finalizing this program and one way we're doing that is by hosting four listening sessions' together ideas and input on the program from different stakeholder groups. The next session for this – of this listening session is set for this coming Monday evening and we'll focus specifically on community inputs. So we'd love to have the input from folks on this call to participate in that call and provide us that input.

Information to about how to participate is shown on one on my slides right here. With that I'll turn it back to Victoria. Thanks again for attending the webinar today. We hope it's valuable to you and we hope that this will be sort of the first or many to come where we can get your input in the – and learn what's work in this sector must more broadly across the country.

Victoria Ludwig: Great. Thanks Jacob. We – the next slide I'm showing you include some links to some of the resources that Jacob mentioned. These are also – were included in the PowerPoint that you received this morning and we will post them on the Web site as well.

But, if you have any questions, want the URLs again, or have any questions about the work that we're doing to highlight best practices in this topic. And if you have, as Jacob mentioned, information that about your programs that you have implemented that have been successful, contact me and I'll be happy to chat.

## The Benefits of State Program Alignment

Victoria Ludwig: So, let's begin with the first speaker. As I mentioned, the association will be talking about an overview of what's – of what this topic is all about and providing some background and contacts for us. The speaker is Mark Wolfe. Mark is the Executive Director of the National Energy Assistance Directors Association which represents the State Directors of the Low Income Home Energy Assistance program or LIHEAP.

He's a leading expert on energy affordability and has testified before congress, and been featured on and – PBS even about this topic. He also has helped to lead a national effort to develop the warehouse for energy efficiency loans or will which is design to help families of all incomes access low cost to financing to retrofit their homes to make them more efficient.

It's all – it's your turn Mark. Thank you.

### Slide 1: Introduction

Mark Wolfe: Well thank you so much for inviting me today. You know, this is definitely, you know, a very important topic. When we talk about the problem, you know, what is the problem in terms of energy affordability, for those of you haven't really worked directly on programs like LIHEAP, a lot of this is definitional. You know, what is low income?

### Slide 2: The Problem

Mark Wolfe: We've used the eligibility criteria for the LIHEAP program which is 150 percent of the federal poverty level or 60 percent of state medium income; whichever is greater. So it goes up to, you know, the very, very poor as well as working families. That works out to about one out of three households in United States.

So I think in terms of thinking about how many families need help, these are families that struggle to pay their energy bills. They live pay check to pay check or they live on fix incomes. They just don't have a lot of money. And I think that when we think about the low income population, often people think it's much smaller than it really is. Sometimes, you'll talk about 100 percent of poverty which is about \$20,000 are family of four, that's maybe about 12 or 13 percent of the population. But that's a very, very narrow based.

When thinking about energy affordability, how important is it? A typical low income family spends about four times their share of income that a middle – the middle income family would spend on home energy. And now some of that's intuitive. They have just less money. But the amount of energy used by a household does not increase proportionately to income.

Every family has a refrigerator. Every family has a heating-cooling system. So, at the end of the day, a low income family uses almost as much energy as it as a typical middle class family, but they have much less income to use to pay for that.

Also think about, you know, what a low income family residences look like. About half of them are renters and the other half are home owners. Many of the homeowners are elderly. Maybe they have a fixed income now. Maybe they made more money earlier but now they're living on social security. And as the family gets older, the likelihood that social security will be their primary source of income becomes more and more dominant.

The other thing that's importantly thinking about home energy is that its variable based on the price of energy. Energy can be very, very volatile in its pricing. Just look at heating oil and gas oil, recently, you know, the cost of heating oil has dropped almost 50 percent. But that can turn around pretty quickly based on forces outside of U.S. control. You know, you can have issues in the Middle East and others.

So, for families, this is both a very important part of their – of their expenditure and it's a volatile part which is why – which is why I think the government has provided resources and help to those families. The other thing that's important here is that the poorest families suffer from high rates for a regulator fuels like electricity and natural gas. Higher rates and arrearages and shut-offs, especially during the winter. We also find that to some extent with those using heating oil propane when they get credit or have some time to pay – pay the bills as well with their vendor.

And that is a big, big problem and arrearages and shut offs increase not surprisingly when the price goes up or the economy tanks. You start seeing more people falling behind in their energy bills.

### Slide 3: The problem for Utilities

Mark Wolfe: It's also a problem for the utilities and one thing I think people don't, again is not commonly thought about, is that utility service territories do not have all the– the utility service territories don't serve the same proportion of low income households. So some utilities have a much higher share of low income households than others. And for those, this is a special problem. You know, how do you keep people connected? How do you provide sufficient incentives to make the bill affordable when you're working with a smaller rate base?

So a utility- a good example I think is there are two utilities in Connecticut, one represents I think about 75 percent of the residential rate base and has about 25 percent of the poverty mistake. The other is exactly the opposite. So the one that has the larger rate base and smaller percent of poverty often has more flexibility in addressing the problems than that has a smaller share of the rate base and a higher percentage of the low income population.



#### Slide 4: Solutions

Mark Wolfe: I'd like to switch to talking about solutions. What are the kinds of strategies that state energy officials have developed? And the LIHEAP directors, the Low Income Family Assistance Program directors in the state really are the point persons for state and federal sponsor energy assistance. So they often do the state plan. They come up with programs. They work closely with their public service commissioners and the utility just to think through what are the supplemental type of assistance that could be provided.

So the kinds of things that, or the kind of tools that we have, we have first bill payment assistance. Sometimes that involves discounts like we see a 20 percent off for a low income families. Sometimes, it'll be direct add-on or a direct supplement to the LIHEAP benefits.

So we have – those are the kinds of two basic strategies that we use. And then there's a third one which some states have tried. It's called the PIP program or Percent of Income Payment program. That really is kind of the gold standard. So, what a state will say is no family will spend more than say seven or eight percent of their income on energy. So essentially, it's capped. So a family knows how much their energy bill is going to be regardless or at least a ceiling on what it can be regardless of what – what the weather conditions are or price conditions.

So before I was saying price plays a big role in terms of how much family will spend, but it's also the weather. So a number of sort of factors that make the energy bill very, very difficult for a family. It's often not the same thing as say you can substitute or say, I mean it's an old example. You know, instead of eating meat, you can eat chicken, you can eat rice, and you can eat beans.

Here, you have to heat your home. It's a public health issue; you can't turn the heat down too low. What can happen then is certain medicine won't work as well; you know, you can get hypothermia. There are lots and lots of issues that occur if a home is not heated appropriately or cooled appropriately in summer.

The other strategy we have to help with the bill, of course it's reducing the need. The lower the bill, the lower the cost or the lower the cost for energy. So weatherization is the companion program to LIHEAP and that program helps families reduce the bill through you know, basic weatherization measures. We'll talk about shortly.

And so, those two programs together, the strategy is to help families lower their cost of energy and also make it affordable. They'll never make it totally affordable if you know if you don't have the money to pay the bill. But you can always make it more affordable.

And where the PIP program works really well is essentially saying, OK, if there's an apartment building with 100 families and they're all low income and they're all eligible for the PIP program and last year, the bills for home energy was \$100,000 but it's capped under the program at \$50,000. So the state or the utility is responsible for the difference but if you weatherize that building, instead of being responsible for \$50,000, the utility may be only responsible for \$20,000. So you can see how integrating program services can make an enormous difference both in terms of helping families as well as increasing overall affordability for both the state and utility sectors.

#### Slide 5: Common Energy Efficiency Problems

Mark Wolfe: And you know, moving onto what are the kinds of problems that we find in these buildings. That's the other thing. We're thinking about what drives up the cost of home energy. One is we'll find inefficient and poorly maintained heating-cooling systems. Sometimes it – you know, a space where we place a heating system with a family, but the family just doesn't have the money to maintain it.

So, sometimes, we'll actually pay for annual maintenance because that also weakens the effectiveness assistance and also shortens its life span. When doing weatherization, there's a secondary problem of you know, we're also going into a home of a low income family or a poorly maintained multifamily building and you have a series of problems. You can – if you want to put in insulation, if the roof is leaking, you can't put in insulation. So you have to address that. You also can have inefficient lighting, air ceiling and other air and filtration issues.

#### Slide 6: Energy-Related Health and Safety Issues

Mark Wolfe: And the other problem that also concerns us with energy efficiency is the relationship between energy and public health. And, you know, there, we're seeing – there is more and more interest across states in terms of it's not just the energy envelope but what about things like water infiltration. You know, if there's a leaky roof problem. But what about if it's creating mold? It creates asthma triggers for – especially for young children; that's been well documented. We will also go in and either install or replace faulty or smoking carbon dioxide detectors. Very, very basic things to make the home safer. But the key here is we look at energy-related measures. You know, we're not – not a housing program, well in a sense we are, I guess, but we're really, the housing program focused on the energy envelope. We don't do lead abatements, although we'll do lead safe, lead safe improvements, but we don't have the kind of resources to totally renovate the home.

#### Slide 7: Federal Funding Streams: LIHEAP

Mark Wolfe: I'd like to talk about the funding streams, you know, where does the money come from and how much we have to work with. LIHEAP is the main program. There is about \$3.4

billion that was appropriated for this year. It's been – it's down from a couple of years ago we had \$5 billion. There is about 8 million – I'm sorry, about 7 million households, receiving assistance, so it's a large, large program and it's the main source of help with energy affordability.

The average household benefit is about \$400 so it's not a large benefit thinking just in terms of the winter heating bill which is often our target. The winter heating bill on average costs a typical family about a \$1,000. So on average, you're helping with about 40 percent of that bill. But states will target those funds often on the poorest households and we'll do larger benefits. So in some of the colder weather states, we'll see benefits as high as a \$1,000, mostly – especially if the families that have delivered fuels because the vendor has to be paid.

Where on regulated fuels, we'll often do utility shut-off – no, I'm sorry, utility shut-off prevention measures so utility can't shut-off a family during the winter. It's another way of helping a family. As I said before, the eligibility is a 150 percent of our poverty guideline or 60 percent state median and states have flexibility there. So you can't go below a 110 percent of poverty, but you can go pretty high on the income scale. You know, a lot again depends on how many other resources a state has so that it can reach as many households as possible.

The administration of LIHEAP, as well as weatherization assistance pretty much often goes to the local community action agencies. They really are our local partners in terms of bringing families into the program. And the other thing that happens that really I think – we say that it is a gateway program in many places. So a family comes in, they apply for LIHEAP. We see if they are eligible for weatherization, but we also see if they are eligible for other programs as well so it's really a way to strengthen the family so they can both pay their energy bill, but also deal with other related problems.

#### Slide 8: Federal Funding Streams: WAP

Mark Wolfe: The Weatherization Assistance Program, we transfer some of our money in WAP or about \$406 million. But the thing to keep in mind there is that the cost to weatherize a home is far more than the cost to help a family pay their home energy bill. So the average household benefit of the weatherization program is about \$6,000. So very quickly you can see that, you know, WAP can maybe serve about 100,000 households. That's a small fraction of the population.

One of the overall problems we have is that we just don't have enough money. You know, we could reach far more people, you know, right now we reach about 20 percent of the eligible families for LIHEAP and maybe one percent for weatherization. So while these can be very effective programs, one of the big problems is just lack of resources.

#### Slide 9: Additional Funding Streams

Mark Wolfe: Supplemental programs, naturally we would get to the other funding streams and also how to integrate resources. We have 30 states and DC that have supplemental programs and that's pretty much utility programs. Utilities and usually it's the public service commissions that gives the order to do this, but they're the ones that do discount programs. They're the ones that'll provide supplemental money for LIHEAP and WAP and it's close to \$4 billion now so it almost matches the total amount of federal money.

So together, we have about close to \$7 to \$8 billion to work with every year and while it sounds like a lot, it's still only enough to reach about 20 percent of the eligible population, not like food stamps or SNAP or I think they have – or they have like a \$70 billion program. So I think that is an issue to sort of look at. The other piece that's important here too is that we've been looking at, we're a state sponsored organization, we've been looking also, you know, where is the role for supplemental financing.

There are a number of states that now offer low interest loans through the warehouse for energy efficiency loan programs, Pennsylvania and New York. Florida is about to start and a number of other states. With the idea to say, look for families that are lower income, the weatherization grant might not be sufficient or might not be available. A low interest loan at least helps the family make these improvements and is far better than a credit card loan.

#### Slide 10: Characteristics of Integrated Programs

Mark Wolfe: Then, let's move on, what are the characteristics of an integrated program and I think that my colleagues will be talking about real examples of this. The first of course is sign up and eligibility determination for assistance at one location. You know, the old stories about being sent around town. Here is one where if you can sign up the family at the same time, you can help them and also reduce overhead cost. New York is a good example where you can't get utility assistance until you signed up for LIHEAP. So you have to sign up for both of them at the same time and that again really makes a difference. So, you know, having one application or a PIP type program with weatherization again, it's a systematic way to bring resources together for a family at one stop.

The other piece that, you know, sounds like it shouldn't be that difficult, but it really does present major challenges for low income administrating agencies is sometimes, you know, states use different income eligibility terms and standards across programs, not realizing that it creates an enormous amount of brain damage for local organizations to figure out. You know, you've got a 150 percent of poverty in this program; you've got to take median income in that program. So the more you can standardize those terms, the easier it is.

Then the other piece and I know this also is a challenge, the integration of LIHEAP and weatherization federal utility funds, sometimes they use different eligibility standards again,

sometimes utility programs will use their evaluation criteria; weatherization has its own evaluation criteria. Again, it might look fairly straight forward at 5,000 feet above the sky, but for the local administrator that can really create a lot of heartburn.

#### Slide 11: Barriers to Integration

Mark Wolfe: And lastly, barriers to integration, essentially the flipside of what I just said: have separate signup locations for each program, separate procedures for discount programs; different eligibility standards that just makes things really complicated, but they're all addressable. And I think you'll hear from the other speakers that you can address these well and really make a difference for families.

#### Slide 12: Contact/Questions

Mark Wolfe: So that concludes my presentation. I'd be glad to, if you have any questions, certainly shoot them to me and thank you.

Victoria Ludwig: Excellent. Thanks Mark. I appreciate your presentation because it gave me a good sense of the overall issue and the context in which it is sitting. And then also therefore how – how important it is for programs to align and leverage each other so that they could be more successful for this challenging problem.

## Poll Questions 1 and 2

Victoria Ludwig: Before we go on to the next speaker, we wanted to do a little bit of audience participation by doing a poll question. And what you'll do is this multiple choice and you can select the best answer right there and then we'll show the results.

The question is, why is your agency or organization primarily interested in energy programs for low income households? Is it because you want to reduce energy costs and address poverty, do you want to improve health and safety, do you want to reduce pollution, do you want to improve housing and promote community development or to access the clean power plan CEIP? Please enter your choices now.

OK. Wendy, can you pull up the results? Great.

Wow. Exactly half want to do the first thing and that doesn't surprise me. But the other reasons reducing pollution is another high one which I would have expected. Not so much on improving house and safety. Hopefully, this webcast might show you how that can be easier done, done more – done more easily and then improving housing and accessing the clean power plan. Thank you for your answers. We want to do one more just quickly.

These answers I think helped us in our – deciding on products to produce, but also it helps your understand each other that are on the line. The next one, which of the following programs is your agency or organization currently implementing? You can select more than one. Bill assistance, weatherization and energy efficiency, education and behavior change, policy advocacy or none of the above. Please enter your choices now.

OK. Let's see the results, please.

Oh, wow. We have three that are kind of neck and neck, weatherization, education behavior change and policy advocacy, also bill assistance. So for those folks that are currently – it looks like maybe the last category folks haven't implemented programs yet. And we hope by the end of the webcast, you will be motivated to do that. So congratulations to the rest of you for all – for your efforts in all those areas.

## Creating a Nonprofit Hub for Energy Assistance

Victoria Ludwig: Continuing on to our next speaker that is going to talk about how they have addressed this challenge and achieved success is Jennifer Gremmert. She is the Deputy Director of Energy Outreach Colorado where she is responsible for all program management and efficacy activities for the organization. She also serves on the advisory board for the National Energy and Utility Affordability Coalition and on the governor's commission on low income energy assistance in Colorado.

Previously, she worked for numerous nonprofits and holds a Masters of Nonprofit Management so she's in the right position working for a nonprofit organization. We look forward to your talk, Jennifer. Go ahead, please.

Slides 1 and 2: Introduction and Creating a Nonprofit Hub for Energy Assistance

Jennifer Gremmert: Thank you. I'm glad to be here and I want to thank Mark for his presentation because he gave a good overview of our program and his association does a great job. What I'm going to talk about today is specifically Colorado has experienced with trying to integrate these programs, both short term cash assistance programs and longer term energy efficiency program and the advocacy work that we've done to get there and really how other states can work towards this model which we are really proud of it and we think provides a one stop shop for clients and is very client focused.

Slide 3: Energy Outreach Colorado Overview

Jennifer Gremmert: So Energy Outreach Colorado is nonprofit organization and our mission is to ensure that all Colorado households have accessed to home energy. We're celebrating our 25th anniversary this year and we've distributed more than \$250 million. We administer programs across the gamete including bill payment assistance, efficiency programs, behavior change programs, as well as advocacy work.

We have strong utility partnership. We serve on multiple governor appointed committees. We work closely with our LIHEAP department, as well as our Colorado energy office which administers the weatherization program. We intervene actively at the public utility commission and we're very active in the National Energy and Utility Affordability Coalition which is group that works on these issues nationally including utility companies, nonprofit organizations, government entities, as well as large associations including EEI and AGA. I'm just getting a note to make it full screen, but I – I'll just keep going.

Wendy Jaglom: Jennifer, if you select the little icon at the bottom next to the 94 percent, at the bottom of the screen.

Jennifer Gremmert: Oh, I see. Yes.

Wendy Jaglom: That one. Yes.

Jennifer Gremmert: OK. That's doing it. I'm sorry.

Wendy Jaglom: No worries. I think those folks should be able to see it. OK, so yes.

Jennifer Gremmert: Well, it's on my screen. Yes. I don't know it isn't coming up. It worked in practice, I promise.

Wendy Jaglom: No worries. Go ahead.

Slide 4: EOC's History

Jennifer Gremmert: So our history is that we were created by executive order from our governor when we saw that LIHEAP funding was decreasing and there were existing utility programs in Colorado and all of the assets of those utility assistance programs were transferred to our new organization. And traditionally our funding came from utility bill inserts. We worked on legislation to have all unclaimed utility deposits and refunds sent to the new organization or sheets.

We initiated direct mail programs. We have worked on the regulatory side around signs and utility settlements. For example, we had a decommissioning of a nuclear power plant in Colorado that initiated some settlement funding and that's been a great way for us to seed fund this program.

Slide 5: Program Evolution

Jennifer Gremmert: Initially, our funding supplemented our state LIHEAP program. In Colorado, this is the heating program that's administered in November through April and is county administered versus what Mark described as community action agencies administering LIHEAP funds. What we were seeing is there is a need for year round assistance for all energy needs including electricity where LIHEAP was primarily used for natural gas. There were a lot of families that were fully employed in the winter and not as much in the summer because of our resort communities. And so that needs for year round assistance as well as for all fuels as important. So we developed a year round program for all fuel types working with community based agencies somewhat like CAPs so these are groups like Catholic Charities, Salvation Army, lots of different organizations roll metro based that administer the program for us. So they see clients. They, you know, get all of their information. We asked them to apply for LIHEAP first when the program is opened, but for households that are over the income for LIHEAP that don't meet, you know, the eligibility criteria or that need additional assistance



beyond what LIHEAP can provide. We were able to do that with the private funding that we were generating.

#### Slide 6: Current Energy Assistance Program

Jennifer Gremmert: When client is not eligible, like I said, we can provide that assistance seamlessly. It's all tracked in a centralized database and vendor payments are made to utilities. We partner with school districts, United Way and counties to expand that. And then we also initiated a percent income program as Mark mentioned which we've also consider the gold standard which allows us to serve to lowest income household and all of our investor owned utilities in Colorado participate in that program.

#### Slide 7: Expansion to Energy Efficiency

Jennifer Gremmert: When it comes to energy efficiency, we've always worked closely with our state weatherization program, but we were seeing when national gas prices were incredibly high in the mid 2000's that the agencies that were administering our cash assistance funds, were having a hard enough time paying their own bills so we created a nonprofit energy efficiency program which essentially we act as general contractors to facilitate different funding sources to help nonprofits that serve low income households. So those are places like transitional housing, food banks, administrative offices.

And as we develop that program, we were able to participate in kind of expanding other efficiency programs in our state. We worked closely with our affordable housing association to ensure that more multifamily affordable housing what's being served with weatherization and we actually secure the contract with our state energy office to deliver those funds. And Colorado has mandated demand side management program to the legislature and we advocated to ensure that low income households were part of that they had special considerations as the rules and programs were developed. And along with our state weatherization programs, Energy Outreach Colorado administers all of the energy efficiency programs targeted to low income households in Colorado, so we're able to leverage federal dollars, utility dollars, as well as our own private funding.

Additionally, we secured the crisis intervention program which is part of the LIHEAP program that ensures that folks have accessed if you receive LIHEAP benefits to heat. So if your heating system goes out then we can have a team that goes in that does a furnish repair or replacement program which also kind of identifies additional opportunities in the household to serve.

#### Slide 8: EOC Program Funding Matrix

Jennifer Gremmert: Just a quick outline of our program matrix. When it comes to our bill payment assistance programs, we have some unique funding sources. There's a check off box on

all investor and utility bills where customers can donate monthly. We generate about \$2 million a year through that. We received late payment fees from Xcel Energy which is our largest multi-state utility and we secured those to go back to those customers for bill payment assistance.

We worked on state legislation to get severance tax dollars which because we're a big oil and gas producing state, we made the case that as the prices of those commodities go up, it negatively affects the customers that we serve and have been – we're able to receive those funds both for directly our program, Energy Outreach, as well as for LIHEAP and for the weatherization, so those are important private funds or state funds that can leverage the federal program.

On the efficiency side, as I said, we manage all of the low income demand side management contract with the investor and utilities in partnership with our state weatherization program. We've been reaching out to rural electric associations and municipal utilities and have had a lot of recent success. Again, because we have a state that has 65 utilities, we always want to make sure that we have both the gas and electric rebates and funding available so that we can have a holistic approach on how these households are being served.

We're doing a lot of work in multifamily buildings. Since 2007, we've upgraded 35,000 multifamily units which has been really exciting. We've also upgrade 275 nonprofit organizations. As I mentioned, we administer the crisis intervention program. Through the city and country of Denver, we actually negotiated to the franchise agreement funding specifically for low income households. And again, as I said, we have a lot of oil and gas producers and individual and corporate owners that have really liked the fact that we're able to leverage their funding both with private and public partnerships.

We're expanded our behavior change and efficiency education program, part of what we see is that families really need to understand how they use energy and it's not enough just replacing equipment. We really need to educate facility managers and ensure that those savings are secured for long periods of time. We're working with our Colorado housing and finance authority to look at tax credit properties and ensure that we can include energy efficiency programs as those are being re-negotiated.

We worked a lot with affordable housing developers. We have a pilot program with Opower and Xcel Energy targeting low income households which is essentially encouraging households to look at their behavior and their use as they compare energy to their neighbors. And then we do a lot of advocacy work which I'll talk about.

#### Slide 9: EOC Advocacy Efforts

Jennifer Gremmert: This is really the key to the success that we've had, has really targeted action to be the voice for the low income energy consumer. We actively intervene and rate cases, acquisitions, rule makings. As I said, we initiated the percentive income payment program in

Colorado and this have been really important to educate our public utility commissioners about the needs of low income households in Colorado, how we have an authentic partnership with our public partners and that we really are looking at what's the best outcome for the clients that we represent and make it a seamless and effective and efficient because these are public funds we recognize that.

The legislative activities we've had again have been successful in terms of securing unclaimed utility deposits and refund that would normally have just gone into our general Colorado payback. We worked on the Energy Assistance Act which required investor and utilities to have a voluntary check off program. You know again as I mentioned, we really worked to ensure that there's low income carved out or specific programs targeted to low income households and demand side management programs. And the severance tax funding that we've been able to secure over the years has been critical in leveraging all of these private funds and public fund.

#### Slide 10: Key Success Factors

Jennifer Gremmert: So the key successes that we've had are really being, you know, active in advocacy, understanding how to leverage the funds, what are the needs of the different funding sources, utilities are required to generate energy savings. So we delivered the deck of terms in kilowatts to them when we do energy efficiency programs that stayed in the DOE weatherization is really interested in quality production. And the cities that we work with have carbon goals that they're trying to achieve and so again the work that we do on the efficiency side and the behavior chain side is able to apply to those goals.

We have a subcontractor model where we work with lots of different subcontractors across the state. These are, you know, private organizations, nonprofits, the weatherization agencies to ensure that were able to, you know, ramp up and ramp down if funding is available. During the American Reinvestment and Recovery Act, there was a large push for these programs. And we have been able to maintain the momentum because we've been able to track and, you know, and provide good results to the work that we've done. There's a really good return on investment in this work. We do a lot of measurement and verification and continuous process improvement.

But I think the biggest thing that we think about and how we design our programs and how we try to partner with our state entities is really what is – what does the client need, the building owners on the multi-family side as well as their residence. And how do we advocate on their behalf. Again a lot of times we're the only voice that's thinking about this population not because people don't care about it just because its – there's not a lot of voices out there that kind represent these – these needs.

And these forums I will admit on the advocacy side are challenging. They take a lot of work and understanding on how you navigate through a public utility commission process. But we found

that our staff at the state is very helpful in helping people intervene and navigate that as well as at the legislature.

Slide 11: What other states can do

Jennifer Gremmert: So in terms of what other states can do, again we really want to make sure that people understand that there needs to be special consideration for adding low income programs to any whether its legislation or regulation. These are difficult projects to work on. They don't have the same market rate sophistication or capacity to manage these projects.

What we found is a nonprofit kind of third party doing this is that we're able to go beyond what the Federal guidelines presents as we, you know, are able to leverage multiple funding versus together. And the more success we have the more funding we are able to attract working both at the capital and the legislature and as a commission is important, having strong authentic partnerships where you understand, you know, what those needs are and can compromise. We are very fortunate to have the utilities that we do in Colorado that have worked with us from the beginning both on the cash assistance side and are evolving on the efficiency side.

We really have worked hard to make sure that no community is left out. We have a broad demographic in Colorado. Our eastern plains are very agricultural and rural. We have mountain communities that have really high average medium incomes. But a lot of the low income workers have to drive, you know, many miles to get there.

You know we have, you know, urban communities that kind of cover the middle of our state. And so we really have to consider all of those as well as communities of color, disabled individuals and what their specific needs are, how seniors need to be served. Colorado has a really high percent of aging population; higher than the national average. And so that's causing some special consideration.

We really want to focus on improving the existing infrastructure that we've built ensuring maximum protections and then really I think as Mark mentioned the health and safety benefits in addition to the energy savings that were seeing through our programs are really I think just at the beginning were starting to see all of the benefits that these has for families and for communities.

Slide 12: Contact

Jennifer Gremmert: And that's my presentation.

Victoria Ludwig: Great, thanks Jennifer. You guys are doing great work and I think the takeaway that I have is that you're thinking about the problem holistically looking at all pieces of the pie and being active not necessarily just reactive as far as trying to improve state policies. And you said you are also taking the time to establish relationships and partnerships which is it does take

time. It takes time and effort. But obviously it has paid off for you guys. So thanks for telling all about your program.

## Poll Question 3

Victoria Ludwig: Before we go on to the next speakers we wanted to do one more poll question for you. And Wendy is going to do that one for us.

Wendy Jaglom: OK, so the next poll question is which type of low income energy users would you be most interested in learning how to – how to reach. And this is another where we were asking to select just one from this list. I know it might be a tough choice. But are you most interested in learning how to reach multifamily affordable housing tenants, single family home owners, single family home renters, nonprofit housing providers or another group of low income energy users?

So again we ask you to select just one to indicate which group you are most interested in learning how to reach. And we'll give everyone just a few more seconds to – to put their answers. OK, just give everyone a couple more seconds and I'm going to go ahead and share the results.

So it looks like most – most people, 41 percent are interested in reaching multifamily affordable housing tenants. Thirty five percent are interested in single family homeowners, 14 percent in single family home renters and then four percent – 10 percent total between none profit housing providers and other. Back to you Victoria.

Victoria Ludwig: Thanks Wendy then thanks every one for your participation. We're going to do one of those after our last presentation.

## Designing Utility Programs to Coordinate Assistance

Victoria Ludwig: And that presentation is from DTE Energy. They are doing a duo presentation, Sharon Palmer and Jason Sparks are going to exhibit. So I'll do quick introductions to both of them at the same time here.

Sharon Palmer is the low income program lead for DTE Energy. In this role she guides the program to ensure that DTE's low income customers have access to energy efficiency assistance and therefore can lower their – their bills. She has over 10 years of experience working at DTE. And so she's really the perfect person to speak about their experience with evolving the delivery of their low income programs.

Also Jason Sparks is going to speak. He is the manager of collection strategy and low income assistance programs at the utility. Besides managing the low income assistance program as his title implies his team is responsible for planning and performing analytics for the collections program and also managing DTE's relationships with regulators and nonprofit organizations. So we look forward to hearing about your program Sharon and Jason. Go ahead.

### Slide 1: Introduction

Sharon Palmer: OK. Thank you. So with the DTE Energy Low Income Energy Efficiency Program and throughout the presentation I'll be referring to it as EEA. We've been operating since 2009. And over the years the structure of this program has remained the same. But we've just found ways to improve the delivery of the program.

### Slide 2: Home Performance (Weatherization)

Sharon Palmer: So in this program we have four sub programs. And so the first program we have is the weatherization program. And with that program the customer receives a full energy audit. And that will help to determine what energy efficiency improvements are needed. And at that point the upgrades are provided to the customer at no cost. And some of the upgrades that we provide are the energy efficient lighting installation, air fueling, high energy efficient heating equipment, programmable T Stat and hot water saving devices.

### Slide 3: Lighting Distribution

Sharon Palmer: Another sub program that we have is our lighting distribution program. And what that program we partner with local food banks to distribute LEDs and CFL as a package. And you'll see the package on the end to clients who come to pick up their food from the food bank.

### Slide 4: Refrigerator Replacement & Furnace Tune-ups

Sharon Palmer: The next program that we have is our refrigerator replacement program. And with that program we will replace an old refrigerator with an energy efficient one. And that's at no cost to the customer. But we'll also recycle that unit. And so normally within a year we'll replace about 3,000 refrigerators.

And so the next program that we have is furnace test and fuel net programs. And with that program we'll go into customers and we'll test the furnace, tune it up and if it deems unsafe we see any health and safety issues we will replace the furnace. So that's a pretty popular program that we have.

#### Slide 5: Leveraging a Variety of Programs

Sharon Palmer: And so with – here we have like the journey that customer would go through to receive the services. So the first chevron that we have is all of the different variety of state and Federal funded programs that we work with. The customer can go through a variety of these programs and start their journey there. And so the next one is just showing like all of the different funding that all of these agency receive including our rebate to help get the customer the energy efficiency upgrades at no cost. And so at that point the customer receives everything at the end. And so it is a really – its worked well our relationships with all of our participating organizations have worked well. And the goal is just to make sure that the customers receives energy efficiency upgrades.

#### Slide 6: EEA Program Delivery

Sharon Palmer: So the next, we – we have three channels that we deliver our program through. And the first one I've discussed earlier is through the food banks with, you know, the customer come and pick up their food and they'll get a packages of CFLs and LEDs.

And so the second one is with our nonprofit organizations and with that program its being the incentive that we get to the organizations. So we incent the weatherization of income qualified homes that also qualify and receive support through public programs such as DOE and weatherization assistance program. So for years these two channels have been our traditional channels, our legacy channels.

And just recently we've implemented a third channel and that's our direct delivery program. And that's supporting the energy efficiency in Detroit and we call it SEED.

#### Slides 7 and 8: Obstacles and Alternative Customer Engagement & Delivery Process

Sharon Palmer: So the reason some of the obstacles that leads us to develop this, this new delivery channel is sometimes the level of participation can vary. And it can be influenced by various external factors. So typically the low income program, we depend on the network of



weatherization agencies and to aide and offer our services to customers. It is a really big benefit to work with the agencies because they are already doing work; they are already doing eligibility intake for these customers for other programs that the customers maybe needing services with. So they have that relationship with the customer.

However though in the past, you know, sometimes due to shifting Federal or state funding it can impact the availability of some of the organizations to participate. And so because of that we sought out that third delivery channel that I mentioned earlier to help lessen that risk. And so that, you know, there needs to have multiple pathways, you know, for the customer participation. And then we also use this channel to develop, you know, increased in flexibility and decrease cycle time for the customer.

So late last year we had a situation where we needed to scale up these services very rapidly. And so at that time we took the opportunity to launch this channel as well as develop a new partnership with DTE's bill assisted payment – assistance division. And so with that the DTE bill assistance group that administers the fuel assistance funding it's from – they get the funding from – from LIHEAP and corporate contributions. And that group has caused the low income self-sufficiency plan.

And so for years there's been interest in collaborating the two. And so last year we started a pilot with them that kind of solidifies that relationship with the SEED channel that I mentioned earlier. And so by combining the bill assistance with – with energy saving that, you know, of course helps lower the customer's bills. But it also helps the SLP dollars go further. So they can help other customer, you know, bring their bills down. And then also of course gives EEA highly income qualifying leads that, you know, we don't have to qualify these customers. And they are more likely to participate because they have a relationship within the LSP program.

And so it's been a great partnership. We also partner with United Way to provide wrap around services to special populations like seniors and disabled residents as a part of the participation in LSP as well. So this collaboration has helped the customers move further on their path to self-sufficiency. And just help – help our collaboration, you know, become a great – a great fit for each other.

So I'm passing on to Jason. And Jason is going to talk more about the low income self-sufficiency plan.

Slide 9: DTE customers continue to face challenges in spite of modest improvement in state and local economic factors

Jason Sparks: OK. Thanks Sharon. So my name is Jason Sparks. I'm going to talk a little bit about our LSP program that Sharon just talked about and talk also about how some of the

partnerships we've had in the collections group with our low income programs, with our energy efficiency group.

So the first page I wanted to talk about just to set a little bit of background on our service territory and the customers that we serve. So you can see on the top left side although our unemployment rate has improved over time specifically in the Detroit area. We do continue to see a very, very high poverty rate of about 40 percent. And the one thing that isn't really demonstrated on this page is that the folks that are in extreme poverty, so let's say below 50 percent of the Federal poverty level, we've actually seen an increase in that category within the city of Detroit over the last four to five years.

So we have a very, very large poverty problem in our service territory. One of the things that we – that we also see is that only about half of the households that qualify for energy assistance actually receive that. So in addition to having a very high poverty rate we also have a very significant underserved population as well.

Many of these households face energy bills that are just quite simply unaffordable with their current income. We do have very old housing stock in the City of Detroit. We do have very high energy cost that go along with that.

So it does create a pretty significant problem. And you can see in the top right hand side and actually in one of the previous conversations or one of the previous presenters talked about that affordable energy burden which we – we talk about as well and that's how we structure our low income programs that – around six percent. And you can see for folks in our service territory, especially in the City of Detroit which is most of our territory, we see folks are contributing as high as 19 percent toward their energy cost which, you know, quite frankly is just – is just not affordable for them.

Slide 10: The Low Income Self-Sufficiency Program (LSP) was established to protect and support our most vulnerable customers

Jason Sparks: Moving on to the next slide, so in response to this we developed our LSP program which actually stands for low income self-sufficiency program and we establish this to help these customers out or to help protect and support our most vulnerable customers. So what is it? This is something I can – can talk forever on. I get pretty excited about this program.

It's something that I'm really passionate about and something I really believe in. But essentially it's a grant funded program that puts customers on affordable payment option. It puts them within that four to six percent of their income which is that affordable energy burden line. Its \$95 to \$120 a month plan. This is for dual commodity customers meaning gas and electric and based on your income. You get a lower payment amount if you're at a – in greater poverty.

In addition to providing a smaller monthly payment it also provides arrears forgiveness provided the customer makes regular payment. So every three payments the customer makes on time we're forgiving one sixteenth of their preexisting arrears which might sound like a very precise number. But effectively it amounts to a four year program.

In addition to that one of the things that were really proud of is that by putting customers on this program, this affordable energy program, which I'll talk about on the next page some of our success metrics, it reduces that customer disconnect cycle. So it keeps customers out of that cycle of being disconnected, going and getting one time assistance, missing a few payments, being disconnected again. So it provides a more positive experience for the customer. But in addition it helps reduce our utility cost around rolling trucks to disconnect customers and restore them. And help keep our utility cost down which then in turn helps all of our customers, right? It helps keep our rates down.

And, you know, finally the last thing I'll mention on this page it's just a more respectful model and really helps promote changing customers behavior. It keeps them again out of that cycle and it keeps them out of running across town trying to get assistance at multiple locations. The next page some of our success metrics.

Slide 11: The LSP program has demonstrated success in providing assistance to low income customers

Jason Sparks: This program has been extremely successful. Again it's something I'm very, very proud to be a part of. You can see our focus on the 2014-15 results, this is the third year of our program or we just finished the third year of our program. And I'll talk about a relative to other programs which essentially those are other payment plans that we have that either mandated outside of the state or just other payment options that we've offered our customers in the past.

The first metric that we have is our service disconnection rate. For customers on our LSP program we only see a two percent disconnect rate and comparing that to 55 percent on other programs. So it's a dramatic decrease in the number of customers that are disconnected. And the way I like to think about this metric is that for our 34,000 customer program that means that we've kept 18,000 families safe and warm during one of the most frigid winters we have ever had on record.

We also have a 90 percent success rate meaning that 90 percent of our customers successfully completes the 12 month program as supposed to only eight percent on the other plans that are available. In addition customer satisfaction is very high at 96 percent. We do have usage limits on the program, also very high at 97 percent.

And then one of the things that we've done more recently is our basic needs assessment score. So part of the program that I'll talk about in a little bit is that we, you know, we also refer

customers for what we call self-sufficiency services. So we put them on this affordable payment plan option. But then we work with agencies like United Way to refer them for services. So perhaps they need job training, perhaps they don't realize they qualify for day care assistance, or perhaps they just need budgeting skills. We refer these customers for all these other variety of services through United Way. And we measure that success through what's called a basic needs assessment score. And in the 12 months for our 2014-15 program we saw almost a 14 percent increase in their basic needs assessment score so again very, very high results.

Slide 12: Multiple pilot programs have been implemented to find additional innovative solutions to better serve our low income population

Jason Sparks: Page – the next page, page 12. This talks about some of the – some of the pilots that we have and some of the new and kind of creative things that are doing to try to, you know, further enhance our program. We partner with a lot of agencies, Salvation Army, United Way, True North, Metric Human Services. Those are a couple of local agencies that we work with.

And our biggest partner is United Way. We have 3,500 customers that participated in a pilot with United Way. That talk about some of those things that I just mentioned where really focusing on triaging the customers based on their specific need. And then customizing a plan for them to help address whatever is going on in their life. And again it can be as simple as budgeting or it could be as big as job training. And it can be a lot of different things.

And then the bottom half, Sharon talked about this a little bit earlier partnering with our energy optimization group. So over the last few years 5.7 million EO dollars have been spent directly on our LSP customers. So not only are we putting them on an affordable plan, not only are we referring them for services, but we're also helping them with their energy efficiency in trying to reduce their consumption. This amounts about 15,000 customer – LSP customers that our EO group has touched over the last few years. And that you know there're about 6,000 households per year that have gone through our EEA program with some pretty significant megawatt and gas savings which you can see at the bottom of page 12.

Slide 13: We are targeting to enroll 40,000 customers for the 2016 LSP program year; our ultimate aspiration is to expand the program to 80,000 customers

Jason Sparks: So finally our aspiration is to continue to grow the program. Eighty thousand customers is our aspirational goal; right now we have 34,000 in the program. And quite frankly we could ramp this thing up to 500,000 customers with the service territory that – that we serve and the poverty that we have in Detroit. There's many, many more folks than 80,000 that could benefit from this program. But given the funding sources that we have available right now we think 80,000 is a real good aspirational goal to get to.

And why – why do we care? Well one of the big drivers that we have at DT is we have an aspiration to be a force for growth and prosperity in our community. So we really do try to be a

– a growth aspect of our community and try to help the customers that we serve. We also want to try to help these customers in a very dignified way. How do we help them become more self-sufficient without them running all over town right, which was mentioned earlier? And then finally it does help reduce our operating cost which then benefit all of our DT customers and helps to keep our rates – you know helps keeps our rates in check.

#### Slide 14: Key Success Factors

Sharon Palmer: So together LSP and EA the collaboration has been successful for some of the following reason. We've been able to have strong open responsive relationship between diverse networks of agencies which is you know we provide tools and training to build their capacity to better serve the customer. We've developed co-branding marketing with compelling messages that point people to participating organizations. So that helps to kind of build the trust of relationships within the community. We – we have been able to leverage income qualified and highly engaged customers from bill assistance groups such as LSP to provide EE services. And that helps with the customer engagement that's already there the fuel assistance team.

There's a – also a high level of – of coordination between the utility, the implementation contractor, agencies and contractors. You know for the customer there's a single point of contact with going through the bill assistance team. We've also developed an online referral tool where – or tracking tool well all of this parties – the utility, the implementation contractors, the agencies and the – the mechanical contractor they can now keep track of the lead and put notes and – and everyone can have visibility as to what's going on with that customer.

And we've been able focus on the positive customer experience. So you know provide customer education on how to use and take care of the new equipment that's been installed. And – and so far with our collaboration with LSP and EEA there's been a – a 100 percent customer satisfaction from our evaluator.

#### Slide 15: DTE Energy Contacts

Sharon Palmer: And so thank you you'll see our DTE contacts and if you have any questions here's our information.

Victoria Ludwig: Fantastic, thanks Sharon and Jason and congratulations to you as well in doing all the great work that you're doing. It's obvious that you have a – a very strategic and – and helpful approach of really understanding the unique challenges of your customers as far as what they encounter in their daily lives. And then the various programs you have that – that gives them control back over how they – how they – over their energy use. And I think that – so that doesn't they don't feel helpless which is obviously it's paying off for – for you guys. So thanks for being with us today.

## Poll Question 4

Victoria Ludwig: We're about to enter the question and answer section. It's – but we want to do one more poll question and Wendy's going to show that for us.

Wendy Jaglom: OK so the last poll question today is which strategies are you interested in learning more about. And on this one you can select more than one so we're not making you choose just one. But wondering which of the following strategies you're interested in learning more about: utility, partnerships with local community agencies, utility based customer engagement, creating a path out of poverty, state and utility partnership and creating a non-profit hub for low income programs. So of those choices which them are you interested in learning more about?

Again we'll give everybody just a few seconds to submit their answers. OK I'm going to share the results.

So it looks like about  $\frac{2}{3}$  are interested in learning about utility partnership with local community agencies; over half or interested in stating utility partnerships; exactly half are interested in creating a non-profit hub for low income program; and then about 40 – 40 plus percent are interested in utility based customer engagement and creating a tap out of property, all right.

## Questions and Answers

Wendy Jaglom: And with that should we move in to the Q&A session Victoria?

Victoria Ludwig: Yes thank you Wendy. So thanks for all of your questions we have plenty to go through in the last 15 minutes. So Wendy is going to facilitate that. Go ahead, thank you.

Wendy Jaglom: Great and the first question is for Mark and we got a couple of questions related to the figure you mentioned at the beginning, that low income households spend about four times as much on energy. There was a couple of questions on this. First clarification – did you not mean low income spend four times relative to income not real energy use. And the second was –

Mark Wolfe: Yes, yes.

Wendy Jaglom: Wondering if you happen to know the source for that figure since they've been looking for support on that point?

Mark Wolfe: Yes the first one I have – I have four times the share of income that middle income families do. It's a commonly used number I could send you, you know back-up for or close to. You know some of it is also a function of how you define low-income so you'll see with very poor families sometimes spending you know 15 to 20 percent of their income on home energy. Family you know is making you know a fixed income and has an income of say \$10,000 to \$12,000 a year can easily hit a number that high.

Wendy Jaglom: Great thank you. The next question is for Jennifer. Do your non-investor owned utilities invest funding, and if not why?

Jennifer Gremmert: Many of them do invest funding in our program. So for example if we have a utility that is you know an investor owned gas utility and there's a coordinated either real electric cooperative or municipal utility, they'll typically kick in funding for the electric measures that we install either on a single family home or a multi-family home. It just depends on the service territory and their sort of individual philosophy but I would say, moving what we're seeing is more and more participation. The more that we reach out the more they're seeing that their customers want those choices. And they've been really responsive because we're able to again leverage multiple funding sources.

Wendy Jaglom: Great thank you. The next question is for DTE and Jason, you referenced that the LSP program is grant funded and the participant asked what specifically does that mean and where does the grant come from? Do non low income customers pay to support this program?

Jason Sparks: So there's a couple of funding sources. In Michigan we have what's called a MEAP fund, Michigan Energy Assistance Program. It's partially funded by LIHEAP to the tune

of about \$50 million. And then it's partially funded by – we have a surcharge that all customers in the state of Michigan contribute and that about another \$40 million so it's a \$90 million pool within the state. So about half funded by LIHEAP and then half funded through a surcharge for all of our rate payers.

Wendy Jaglom: Great thank you. So the next question is actually for all speakers and so if anybody has any insights on this one please just jump on in. And the question is are any of the speakers aware of efforts around home owner assistance with renewable energy, such as solar, as a follow up to or separate from the energy efficiency and weatherization program?

Jennifer Gremmert: This is Jennifer I can speak to this a little. There is an organization called Grid Alternative nationally that's starting to really reach out to do renewable energy for low-income households. And in Colorado, we have as part of our renewable portfolio standard, that five percent of all solar gardens that are completed in the state have to, five percent of that load has to be directed to low-income households. So we work with developers to ensure that that happens. And are actually looking at other kind of creative ways to initiate solar gardens to deliver essentially kilowatts to households in lieu of cash assistance and that's something that's being developed currently.

Mark Wolfe: Yeah, this is Mark. We are starting to see states look at using subsidies – additional subsidies for low-income families to use solar. New York I think just adopted a new additional tax credit for low income. And another state that has been looking at the data on their solar programs and finding that it's mostly going to well off families and they're concerned about the grid being increasingly you know subsidized or operated. Disproportionally the impact on low income families so it – it's now starting to be looked at because you know all the early adaptors for solar were – were better off families and so this is kind of a new development and there's a separate approach for multi-family and single-family just because the way that the buildings are financed.

Wendy Jaglom: Anybody else want to chime in on that one? OK. I'll go on to another question for Mark. In your experience have you found that local agencies prefer the potential flexibility with utility funds or would rather have to conform to the DOE guidelines for weatherization for uniformity?

Mark Wolfe: No they prefer flexibility because the utility funds as well as the LIHEAP transfer money sometimes coming to your roles so they can use it to fill in what the DOE money can't. They can use the LIHEAP funds and the utility fund sometimes to look at health and safety measures. Much more flexible than the DOE money. The DOE money is a lot more rigid and so at least from my experience, it seems like states prefer the flexibility that comes with other funds so that they come up with the best you know solution for families.



Wendy Jaglom: Great thank you. So I've got another question for Jennifer. Can you offer any examples of some corporate donors referenced in the matrix in your slides. What industries have done so?

Jennifer Gremmert: Again, because we have a lot of oil and gas producers in Colorado that industry has really stepped up over the last decade or so to support this. But we have you know kind of a broad base of you know banks that use some of their community reinvestment funds for our programs you know – you know large manufacturing operations you know really sort of looking to who are your corporate leaders within your community, looking at what their grant guidelines are and we typically apply under you know serving either human services needs or increasingly we're working to leverage our energy efficiency programs so we've been – a lot of the contractors that we work with will support us or the manufacturing side you know of the equipment that we're looking at will give us discounts which we can provide as in kind support in those sorts of things.

Wendy Jaglom: Great thank you so another question for DTE. Can you provide the marketing strategies that drive participation in the program?

Jason Sparks: The – the LSP program or the –

Wendy Jaglom: I think all of them but if you want talk about LSP to start with that would be great.

Jason Sparks: Sure yes, so we partner with a number of community agencies to enroll customers on the LSP program. Our – our largest partner is United Way in Southeast Michigan. Then we also use THAW which is a local agency, Salvation Army and a couple others. And there's a couple ways so one is walk-in traffic there's a lot of walk-in traffic. There's a lot of folks that call United Way 211 for assistance or go to THAW for assistance. So there's a lot of walk-in traffic for folks that are perhaps qualifying for other assistance that they'll then also enroll on LSP. But we also do some outbound campaigns as well. And we'll typically target customers that fit a – fit a consumption profile that we're looking for and also fit an arrears profile that were looking for. We're looking for – for this particular program we're ideally looking for customers that have the income but lower income obviously. And then we're also looking for customers that do have some sort of payment history. So folks that want to make payments and they want to contribute toward their energy bill but they just don't quite have the funds to do so. So folks that just quite frankly aren't making payments probably aren't an ideal candidate. So we'll go after customers that do meet a specific profile for us.

Sharon Palmer: And – and for the EEA program well we have limited funding so we're really – our marketing is really limited. So we really use our partnering agencies and we'll give them an allocation of how many customers they can serve and we'll provide them with co-branded materials that they can give out to the customers. So that's one way – we also go to a lot of

community events like customer assistance days that DTE may have. We'll find a low income population that's there and we'll get a lot of good leads from that.

We do some cross-promoting as well so with the lighting distribution program that I talked about earlier on that box of LEDs we'll do some promotions with of our other programs like our refrigerator replacement program. We definitely use that as well and we get a lot of feedback from that. But for the most part like I said our marketing is pretty limited. If the agencies need help marketing their programs we'll give them co-branded materials. But that's about it.

Wendy Jaglom: Great thank you. So we have another question for all speakers. In the small multi-family sector is anyone aware of programs that allow landlords to access utility or state energy efficiency subsidies in cases where their low income tenants do not want to submit documentation to qualify for the WAP? Again that's a question for all speakers so if anybody has any thoughts on that. Programs that allow landlords to access utility or state subsidies in cases where low income tenants don't want to submit the documentation to qualify for the WAP.

Jennifer Gremmert: I can speak to this, this is Jennifer. So the way that DOE defines multi-family as five units or more and so if there's a building as long as we have verification of income so typically we work with the housing authority or there's a HUD funded program. Or in the case of a private landlord, we do have to get income information from each client, but they don't have to individually fill out a weatherization application we do that centrally through the building owner then the entire building can be served. The rules are that 66 percent of a building has to have income eligible households in order to be served with state weatherization funds.

On the utility side we're able to go to a higher income threshold in Colorado that's up to 80 percent of average median income. And so – yes those smaller multi-family buildings can access the program and we administer that for the utility companies.

Sharon Palmer: And so with EEA as well, we also work with affordable housing organizations that have income qualified tenants as well. So just like Jennifer.

Wendy Jaglom: Any last thoughts on this one? OK I'll do another one for the group and maybe everyone can weigh in on this one. How important in your mind is it that there be a single point of information and distribution for energy efficiency programs?

Mark Wolfe: I don't think it has to be a single point – this is Mark. I don't think it has to be a single point contact, but it does make a big difference so I think it's incredibly important. It just makes a lot easier for a family.

Sharon Palmer: And also with the EEA and LSP collaboration, we found it to be pretty a great collaboration because with LSP they have customer advocates that a customer is assigned too. So they have that relationship and the fact that we now have this referral tool that empowers the

customer advocate to – when the customer calls them because they're the trusted source. They call them, they're able to communicate back with updates and so they had that one contact that they can know they can come back to and get updates so it's been great.

Jennifer Gremmert: Yeah this is Jennifer. I would agree I mean I think to make it as easy for the client you know the – the system of how people access help has gotten very complicated and people do have to fill out multiple applications and go to different locations and it just discourages participation and I think to the extent that we can really try to serve these households' needs and get them to self-sufficiency you know in an integrated, holistic, seamless way is the goal.

Wendy Jaglom: Great and I think we're right at 3:30 and I feel like that's a good question to end on Victoria, shall we wrap things up?

Victoria Ludwig: Yes, and I was going to say that that is a great statement to end the webcast on Jennifer, thanks. Thanks to Mark, Jennifer again, Sharon and Jason for speaking today and Jacob. And thanks for all of you for attending, we really hope that you benefited from it and learned a little bit about how to leverage and align EE programs for low income households. We are going to be having two more webcasts as I mentioned so stay tuned to our website for information on that. If you want to get the immediate notice when it comes out we highly encourage you to join our newsletters which you can go to the main state and local climate website to find out how to do that.

Also as a participant you will receive an e-mail letting you know when the proceedings are available online that should be in a week or two. So you'll be able to download the presentations and also listen to the audio recording. So thank you. When you logoff, you will see a list of exit questions just evaluating how we did today. We hope that you will participate in that to give us some feedback. And thanks again and everyone enjoy the rest of your day.

Operator: This concludes today's conference call you may now disconnect.

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