



Energy Efficiency in Affordable Multifamily Buildings: Challenges and Opportunities

NYC LIFE Regional Meeting

April 29, 2015

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Changing Policy Context for Energy Efficiency in Multifamily Buildings in New York

- Earlier this morning you heard a description of the Reforming the Energy Vision (REV) and the Clean Energy Fund as they are currently developing.
- As low-income advocates, how do you think these new policies will affect you and the people you serve? Particularly those living in rental apartments in New York City?
- This session will highlight a few potential challenges and opportunities for multifamily housing that could arise from these changes in NY energy policy.



Overlapping, complicated regulatory processes driving change

- REV and CEF provide an overall framework for a series of separate and distinct proceedings and regulatory processes that need to be monitored
- Understanding the issues at stake and the arenas for possible input will be key
- Interested parties who see potential economic benefit can be expected to be directly involved
- “Animating the market” can be expected to generate both positive and negative consequences for low-income energy consumers



“Reforming the Energy Vision” (REV) holds a great deal of promise as a proposal to meet the challenges of ongoing and unstoppable changes in technology coupled with needed regulatory reform for utilities while promoting environmental stewardship and affordability

The transition from here to there, however, will take time and a careful transition that must prioritize environmental responsibility and consumer protection, particularly for low-income households and those living on fixed incomes.



Some of the issues on the table

- REV and CEF provide overall framework
 - Energy efficiency as a Distributed Energy Resource (DER)
- Changing Roles of utilities and NYSEERDA in the future
- Animated markets replacing Programs and incentives
- Linking demand management and energy efficiency becomes more important in targeted neighborhoods (e.g., Con Edison Brooklyn Queens Demand Management Neighborhood Program)
- Rooftop solar and battery storage options
- Comment processes/regulatory actions regarding
 - community net metering, microgrids
 - utility demonstration projects, and
 - utility low income programs (arrearage, discounts),
- Oversight of DER providers and ESCOs
- Time Variant Pricing and advanced metering options
- Relative impact of rate design changes (e.g., fixed Charges)
- Community choice aggregation models ,
- Distributed generation emissions rules (EJ issue),
- Benefit cost analysis (including non-energy benefits)



Uncertainty during transition

- especially in the near term
- can cause disruption in the very markets REV is meant to support



Multifamily Buildings as a Sector

- Residential buildings containing 5 or more residential units in the structure
- Includes low-rise, mid-rise and high-rise buildings
- Includes those with central heat and hot-water systems as well as those with in-unit systems
- Includes residential buildings, such as supportive housing, that may have common area spaces used for such support services, as well as ones with retail stores on the first floor



Affordable Multifamily Housing

- Includes both regulated housing that may have been constructed with funds targeting LMI households (e.g., HUD assisted housing)
- Market rate or rent regulated housing that provides rents that are affordable for residents of the neighborhood (e.g. using average rents as a share of average household income for the area, rents not greater than 30% of income)



Important to Define Low and Moderate Income Customers (LMI)

Households under 60% (or 80%) of Area Median or 60% (or 80%) of State-Wide Median, whichever is higher in the specific jurisdiction



Who are the low-income and how can they participate in the future energy world under REV?

Do not underestimate their capacity to make educated choices in a new world with advanced technology (Iphones)



Existing Energy Efficiency Programs

- US DOE funded and NYS HCR administered Weatherization Assistance Program carried out by local WAP subgrantees
- NYSERDA MPP and Empower programs including funding for affordable and low-income housing
- Utility gas and electric programs funded under NY's Energy Efficiency Portfolio Standard (EEPS)
- All of the above have been coordinated with WAP



Changes in incentive programs expected as a result of REV

- Decreased incentives likely
- Closure of existing programs likely
- Timing of Market animation results uncertain
- Details of transition in development



Financing Investments in EE

Green Bank products for various sectors –
multifamily, commercial, industrial

Should ensure that affordable multifamily
housing gains access to benefits



Opportunity: Increased collaboration between NYSERDA, utilities and NYSHCR

EEPS rules seen by many as having led to
competition between programs and
confusion in the market

Stakeholders should weigh in

“Co-opetition” as an option in the market



Reform of utility rate making and regulation

- need to ensure energy affordability, especially for low income consumers
- tie utility performance to appropriate metrics (efficiency, resiliency, and environment)
- protect consumer privacy while enabling new technologies



Facilitate new opportunities

- Identify and encourage prerequisites such as advanced metering technology
- create programs for consumer engagement and consumer/investor confidence
- Promote demand management, time variant pricing, fuel neutrality, community/shared renewables, community choice aggregation, micro grids



Current PSC activities to help consumers navigate new markets

- review ESCO eligibility and business practices
- develop regulatory oversight of DER providers and products
- consider changes to utility low income programs



Urge policymakers to keep consumer interest,
foremost in their minds as REV unfolds in the next
few years.

especially low income consumers and
residents of multifamily buildings.



Appreciate the Leadership in words and actions of the Governor's Energy policy team

- headed by Richard Kauffman,
- NYSERDA team headed by John Rhodes,
- PSC, especially Chair Audrey Zibelman,
in public forums and their willingness to
tackle the large energy use issues consumers
face.



New York's focus on Market Transformation and on Clean Energy programs and incentives since the late 90's has been successful and should be built upon under REV

Many providers are ready to support the goals of REV and to think creatively but need some support during the transition

