

# Statewide LMI Portfolio Stakeholder Webinar Series

18-M-0084 Comprehensive Energy Efficiency Initiative  
(New Efficiency: New York)

Presented by the New York Utilities and NYSERDA

April 14, 2020



# Agenda

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- Context
- Statewide LMI Portfolio
- Overview of Initiatives
- Outreach & Engagement Channels
- Implementation Milestones
- Stakeholder Input Form
- Questions and Comments

# COVID-19 Response

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- The utility and NYSERDA response to COVID-19 is evolving.
- Considerations:
  - Number of income-eligible or customers in-need are likely to increase.
  - Impact of disruption to clean energy industry broadly unknown, but acute in many cases.
- Response to date:
  - Utilities suspended active collections, including disconnections to lessen financial hardships.
  - On-premise work has been put on hold; applications are being accepted.
  - Project deadlines are being extended.
  - Assessing approach to remote audits/assessments.
  - Assessing payment process.
  - Exploring enhanced eligibility for programs to reach households that are being affected.



# Context

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- Over 40% of New York's households are characterized as Low- to Moderate-Income (LMI).
  - 2.3 million low-income (at or below 60% of the state median income)
  - 1.2 million moderate-income (between 60% of the state median income and 80% of the area median income)
  - Energy bills have a disproportionate impact on lower-income households
- Primary barriers to clean energy improvements beyond capital constraints include:
  - Lack of information on available programs and opportunities to improve efficiency
  - Structural deficiencies
  - Split incentives

## **Our Objective**

*Create a statewide framework that promotes the advancement of energy affordability and access to energy efficiency across New York State*



# Current LMI Energy Efficiency Program Landscape

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- NYSERDA funds LMI clean energy initiatives annually through the Clean Energy Fund (CEF).
  - EmPower NY, Assisted Home Performance with ENERGY STAR® (HPwES), Multifamily Performance Program (MPP), and New Construction
- Utility LMI initiatives include small homes, multifamily programs, community partnerships, and midstream initiatives.
- PSEG-LI also administers LMI-focused initiatives.
- Current LMI energy efficiency and weatherization programming reaches ~1% of LMI households on an annual basis.





# Statewide LMI Portfolio

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# Statewide LMI Portfolio

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- 20% of New Efficiency: NY incremental energy efficiency funding designated for LMI customers.
- Of the incremental LMI program budgets, 40% is directed to multifamily programs.
- Coordinated outreach and education strategy with increased stakeholder engagement.

## Objectives

- Reach more LMI households to improve energy affordability and increase participation in energy efficiency programs
- Streamline administrative services, reducing costs

## Guiding Principles

- Advance energy affordability
- Simplify process for customers to participate
- Increase number of households served
- Increase adoption of energy affordability in affordable multifamily housing
- Leverage strengths of Utilities and NYSERDA in portfolio development and design; emphasis on complementary not competing approaches



# Measuring Progress

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In addition to energy savings, the following metrics are being considered to further track progress and overall impact of the LMI statewide portfolio:



Customers served/market penetration of energy efficiency programs



Increase in overall energy affordability (lower energy burden)



Administrative cost savings



Number of customers entering the customer hub and “taking action”



Customer satisfaction

# LMI Management Committee

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- Established to provide a regular forum for program administrators to coordinate, review progress, and calibrate the portfolio.
- Comprised of a representative from each Utility and NYSERDA.
  - NYSERDA and each utility will serve as co-chair on a rotating basis.
  - NYS Department of Public Service Staff will participate in an oversight and consultatory role.
- Committee will meet regularly to review and make recommendations on:
  - Program performance
  - Portfolio performance
  - Stakeholder comments
- Generate an annual report that summarizes the portfolio performance, as well as comments received from stakeholders.

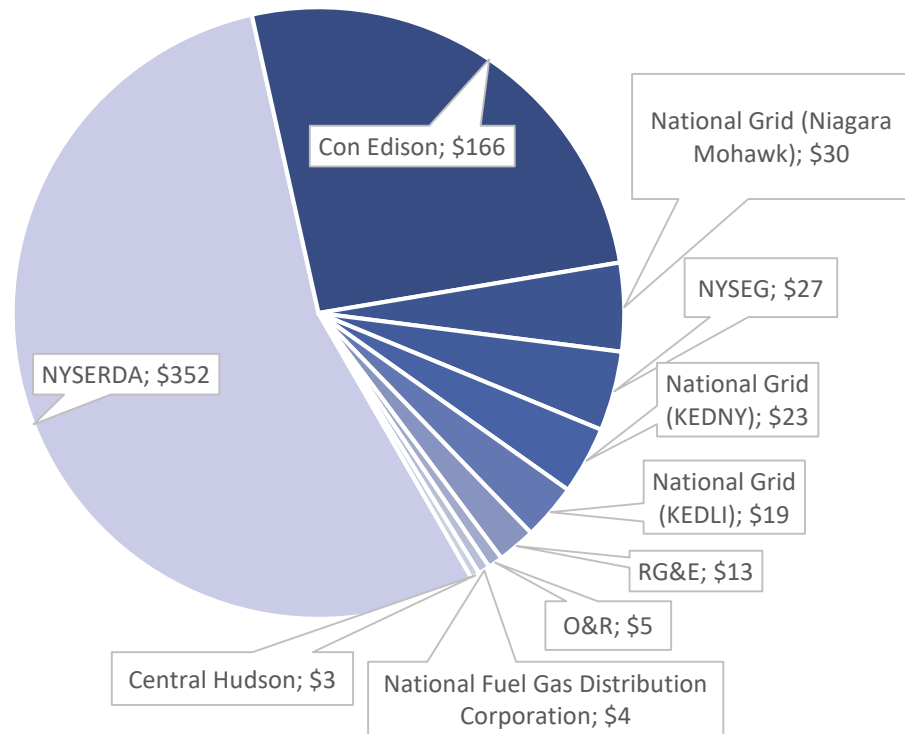
# Budgets and Targets

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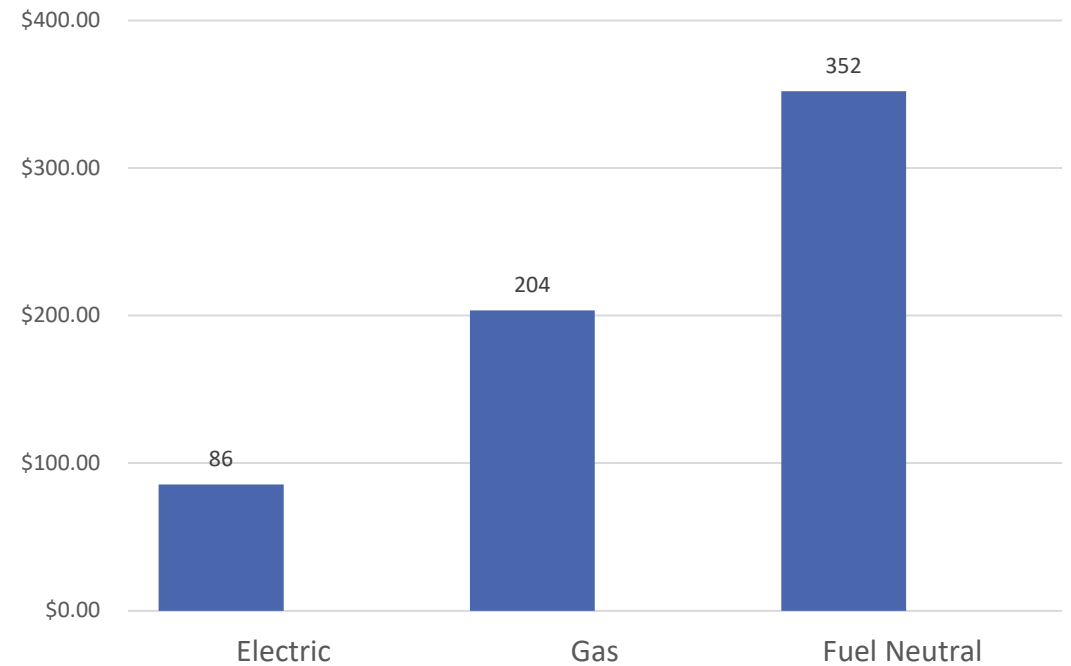
- LMI budgets and targets are increasing for both electric and gas.
- Budgets reflect 70% / 30% split between gas and electric LMI programs.
- Flexibility allowed for electric funds to support thermal measures.
- Co-funding arrangements between NYSERDA and Utilities with the objective to:
  - Leverage strengths of each program administrator
  - Create maximum customer benefits
  - Reduce duplicate administrative costs

# Statewide LMI Portfolio Budgets

Total Budgets 2020-2025 (\$ in million): \$641



Distribution of Total Budget by Fuel (\$ in million)



# Implementation Plan

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- Program Offerings and Initiatives
- Roles and Responsibilities
- LMI Management Committee
- Customer Outreach & Engagement, including Customer Hub
- Transition Plans, Scheduling of Implementation Milestones
- Co-funding Arrangements
- EM&V Approach
- Preliminary BCA
- Budgets



# Overview of Initiatives

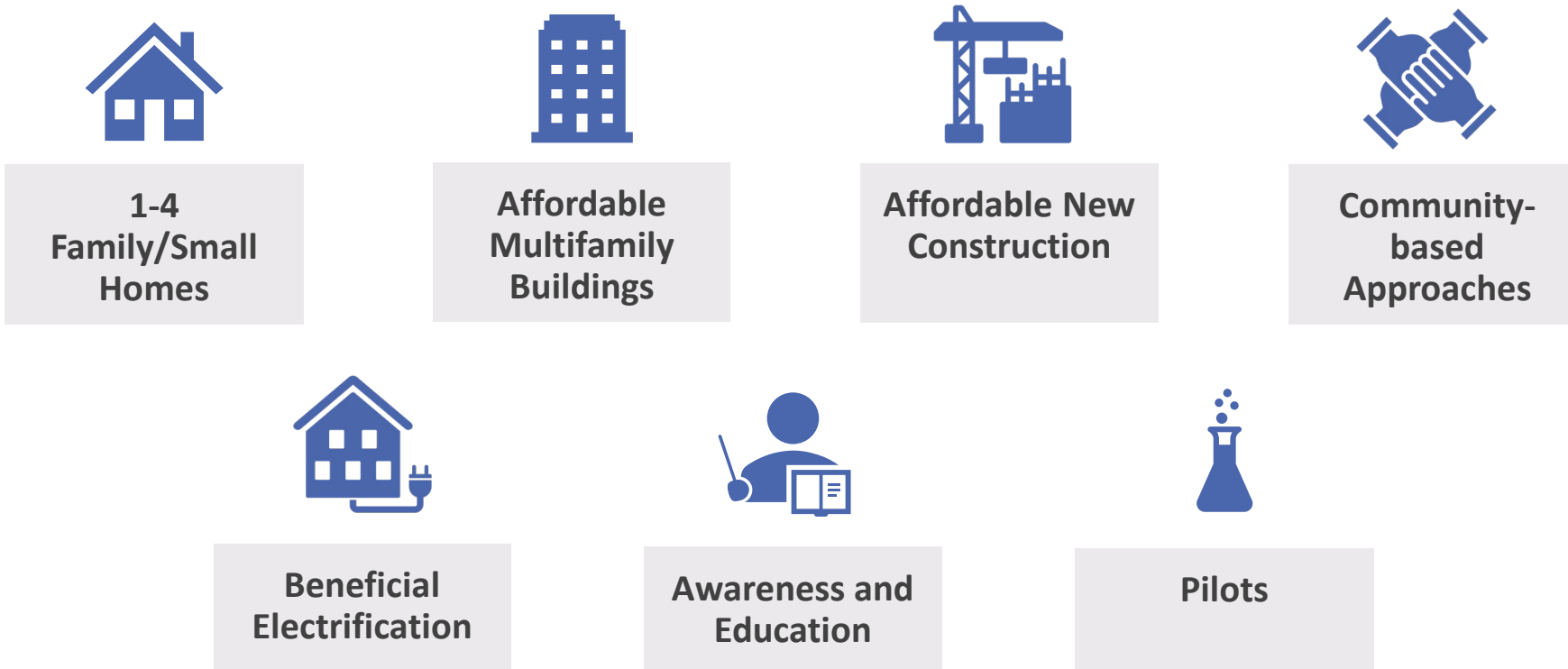
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# Summary of Initiatives and Programs

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Initiatives and Programs addressed in the Implementation Plan:



# Small Homes Programs



## Objectives

- Improve overall energy affordability for LMI households.
- Increase the number of LMI households receiving energy efficiency services.
- Address health and safety issues as part of energy efficiency work scope.

## Features

- Statewide LMI small homes program funded through the CEF and utility incremental funds.
- Includes comprehensive energy efficiency upgrades (insulation, air sealing, electric load reduction, health and safety improvements, comprehensive energy audit, and in-home energy education).
- Direct install to serve as a feeder into more comprehensive work.
- Better targeting and referral of customers on the low-income bill payment assistance programs.

## Timeline

- 2020 - Continuation of existing programs, focusing on coordination
- 2021- Roll out of improved program design

# Small Homes Programs



- The Utilities and NYSERDA will build on the existing statewide infrastructure for the EmPower NY and Assisted HPwES programs, increasing funding to reach more households and broaden the scope of services.
- Focused on 1-4 family LMI households

## Low-Income Households

- No-cost energy efficiency upgrades
- Owners and renters eligible
- Eligible measures to include audit and in-home energy education, insulation, air sealing, electric load reduction, minor health and safety improvements, distribution system repairs
- Utilities refer low-income customers for services to reduce energy consumption
- Coordination with Weatherization Assistance Program (WAP) and Home Energy Assistance Program (HEAP)

## Moderate-Income Households

- 50% subsidy on cost of work scope
- Eligible measures to include audits, insulation, air sealing, electric load reduction, minor health and safety improvements, and HVAC improvements

# Small Homes Programs



## Current Offering

- EmPower Program, Assisted HPwES
- Eligible measures include audit and in-home energy education, insulation, air sealing, electric load reduction, minor health and safety improvements, distribution system repairs

## Potential Future State

- Integration of programs and graduated incentive scale
- Improvement of utility referral process and outreach to customers
- Incorporation of modifications to address unique characteristics of utility territories, where necessary
- Testing of new delivery models to increase impact of funds and reach more households
  - No cost direct install for moderate income customers

# Affordable Multifamily Buildings



## Objectives

- Deliver benefits to tenants, while improving the overall efficiency of the building.
- Address split incentive issue.
- Direct at least 40% of incremental energy efficiency funds to affordable multifamily.

## Features

- Incentives to cover comprehensive energy upgrades to central systems, common areas, envelope, in-unit improvements, energy management systems.
- Exploring opportunities to work directly with housing agencies to incorporate funding into preservation projects to offset incremental costs associated with higher performance.
- Technical assistance and market development support.
- Statewide alignment on building eligibility thresholds and screening process.
- Advancing new solutions through the CEF (e.g.: Retrofit NY and healthy homes pilot).

## Timeline

- 2020 - Continuation of existing programs, with improved coordination
- 2021- Begin transition to Statewide Affordable Multifamily Program

# Statewide Affordable Multifamily Program



## Current Program Offerings

- MPP, Retrofit NY, Real Time Energy Manager (RTEM)
- Some Utilities offer their own incentive program for multifamily buildings
- Technical assistance for housing agencies

## Transitional Program Offerings

- Transition to Statewide Affordable Multifamily Program
  - Similar measure offerings
  - Similar incentive offerings
  - Technical assistance
- Differences in programs will exist across the state due to differences in:
  - Market potential
  - Cost of business



# Transition to Statewide Program



## **NYSERDA MPP**

- Offered throughout New York State, including territories that have a utility administered multifamily program.
- Energy assessment is conducted to develop scope of work that achieves at least 15% energy savings.
- Receives construction completion and a performance incentive.
- Incentive calculated per unit, more energy savings the higher the incentive.
- Technical assistance to housing providers and building owners.

## **Utility Multifamily Program**

- Con Edison, National Grid, NYSEG/RG&E offer existing multifamily programs.
- Incentives are granted by measure and allow a short process from application to payment.
- Receives construction completion incentive
- Incentives calculated per equipment installed or per MWh/Dth saved.

- Identify strengths of both programs and transition to a Statewide Affordable Multifamily Program that advances energy efficiency adoption across all buildings in New York State through the provision of holistic solutions that include technical assistance and incentives.

# Program Design Considerations



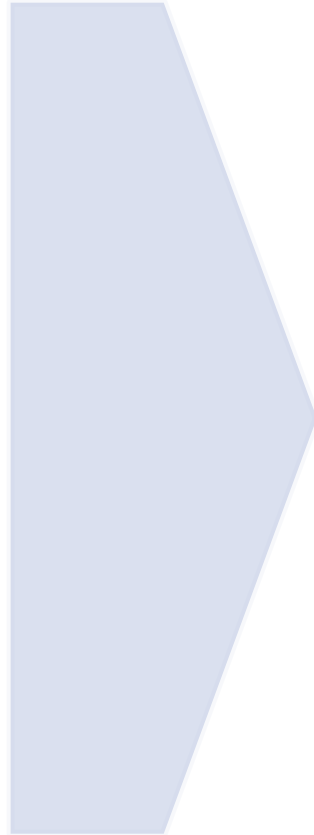
Consideration	Design Principles	Strengths
Program Offerings in Utility Territory	<ul style="list-style-type: none"> <li>Remove dual offerings in specific utility territories and ensure all territories have access to incentives.</li> </ul>	<ul style="list-style-type: none"> <li>Reduces confusion in the market and utilizes budgets and strength of each Program Administrator.</li> </ul>
Measures	<ul style="list-style-type: none"> <li>Utilize utility's model of offering incentives (by equipment, kWh, Dth).</li> </ul>	<ul style="list-style-type: none"> <li>Streamlines administration and allows Utilities to vary incentive levels based on territory needs.</li> </ul>
Packaged Incentive	<ul style="list-style-type: none"> <li>Package incentives to offer more \$ the more measures a building completes.</li> </ul>	<ul style="list-style-type: none"> <li>Encourages buildings to do a more comprehensive upgrade.</li> </ul>
Performance Incentive	<ul style="list-style-type: none"> <li>Offer performance incentives for buildings that achieve a specific savings target.</li> </ul>	<ul style="list-style-type: none"> <li>Encourages buildings to do a more comprehensive upgrade.</li> </ul>
Technical assistance for building owners, contractors and housing agencies	<ul style="list-style-type: none"> <li>Advance higher performance through predevelopment and technical assistance to owners, service providers and housing agencies.</li> </ul>	<ul style="list-style-type: none"> <li>Provides opportunity for incentives to be targeted in most impactful manner.</li> <li>Puts buildings on path to achieve deep energy savings.</li> </ul>

# Statewide Affordable MF Technical Assistance



## Current Offering

- Technical assistance for building owners and housing agencies
- Supports adoption of Integrated Property Needs Assessment (IPNA)
- Energy Studies to evaluate opportunities to reduce energy costs



## Potential Future State

- Continuation of technical assistance for building owners and housing agencies
- Utilities promote technical assistance offering and encourage buildings to participate
- Ensure buildings have one point of contact and do not have to hop across Utilities/NYSERDA
- Opportunity to partner technical assistance with program offerings; increase packaged incentives and % energy savings for performance incentive
- Help promote buildings to move forward with project by pairing with specific incentive offerings

# Affordable New Construction



## Objectives

- Improve the building performance of all affordable new construction, with goal of net zero or carbon neutral footprint.
- Support trades and developers to advance engineering, design, and construction practices.
- Identify and test replicable models for achieving high performance in new affordable housing.

## Features

- Statewide new construction initiative with incentives and technical assistance.
- Work with affordable housing agencies and intermediaries to advance higher performance construction.
- Partnerships with local organizations to help build capacity.

## Timeline

- 2020 - Continuation of existing programs, focusing on coordination at state and local levels

# Affordable New Construction

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- The Utilities and NYSERDA will coordinate efforts to continue to advance higher performance affordable new construction through:
  - Incentives to offset the cost of higher performance new construction
  - Technical assistance for builders, developers, architects/engineers, and housing agencies
  - Piloting and demonstrating replicable models for reaching net zero and carbon neutral new construction
  - Engaging local and non-profit housing providers to increase capacity and ability to build to higher performance

# Community-Based Approaches



## Objectives

- Expand the reach of Utilities and NYSERDA to engage with customers where they are.
- Increase the number of LMI households served.
- Connect LMI households with other relevant programs/services.
- Identify community-based partners.

## Features

- Partnership with community-based organizations to conduct local outreach and education (e.g.; NYSERDA Clean Energy Engagement Program).
- Delivering of energy efficiency products (e.g., LEDs) through community institutions such as food banks.
- Working with local housing and weatherization providers to coordinate services and provide incentives to projects.

## Timeline

- 2020 - continuation of existing programs, focusing on identifying and building partnerships



# Community-based Initiatives



## Current Offerings

- Partnerships with local organizations (e.g. food banks and local builders) to increase access to energy efficiency solutions such as LEDs and thermostats
- Piloting community-based delivery models

## Additional Future Opportunities

- Continuation of community-based outreach approaches with an emphasis on capacity development for local organizations
- Incorporation of community-based delivery models
  - Distribute LED's within low-income communities
  - Direct Install Community Blitzes
- Enhancing partnerships with community-based organizations, local government, and housing organizations to expand the reach of LMI programs
- Work with local organizations who are closest to the low-income community to identify new program opportunities and outreach channels

# Pilots



## Objectives

- Identify and test new approaches for improving access and energy affordability.
- Demonstrate models for program delivery that can reduce administrative burden for the administrator and customer.

## Features

- Potential pilot concepts include:
  - Additional methods to identify LMI customers
  - Health and safety pilots
  - Electrification

## Timeline

- 2020- launch of geo-based eligibility and health and safety and electrification pilots
- Ongoing- identification of program delivery and technology pilots that have the potential for improving access to clean energy solutions

# Pilots

## Geo-based Eligibility



### Current Eligibility Requirements

- Determined on an individual household or building basis through categorical determinations or individual income screening
  - Universe of households that can be categorially-deemed eligible is limited
  - Administrative burden for households, building owners, and administrators
  - Increased cost of program administration

### Pilot Opportunity

- Supplement current eligibility determinations with streamlined approach for establishing eligibility based on geographic parameters
  - Maintain individual income-eligibility for households and buildings, but add geo-eligibility for certain offerings
  - Reduce administrative burden and cost
  - Considerations for transitioning communities

### **2020 Geo-eligibility Pilot for Assisted Home Performance with ENERGY STAR**

- Additional considerations for multifamily buildings
- Lessons from pilot to be applied to other programs and offerings in LMI portfolio

# Pilots

## Additional Opportunities



### Opportunity Areas to Increase Adoption

- Advancing models for deep energy retrofits across the LMI building types
- Effective models for aggregating energy efficiency work and lowering cost per unit will be important to scale adoption in the LMI market segment
- Breaking down barriers to capital for households and affordable housing owners is necessary to increase adoption of energy efficiency

### Opportunity Areas for Initiatives

- Zero-energy modular new construction as option for urban infill or replacement of traditional manufactured housing
- Identifying replicable models for building electrification in the LMI market segment, while maintaining or improving energy affordability will be important to increase access to clean heating and cooling technologies
- Health, safety, and structural deficiencies can prevent energy efficiency work from being done, leading to deferred projects

# Awareness and Education



## Objectives

- Improve access to information on programs, energy and financial literacy, and overall awareness of opportunities to lower energy consumption and bills.
- Improve customer experience.
- Connect income-eligible customers to wrap around services.

## Features

- Statewide brand and coordinated outreach/messaging at the state and local levels
- Community partnerships
- Energy education and financial literacy workshops
- Home energy reports

## Timeline

- Varies based on program offering

# Awareness and Education



## Current Offerings

- Low Income Forum on Energy
- Utilize existing behavioral programs (Home Energy Reports, etc.) to provide tailored savings tips and outreach
- Send educational kits to low income customers to provide insights on energy efficiency

## Potential Future Opportunities

- Utilize statewide framework to incorporate education campaigns on available resources for customers
- Identify opportunities to work within Utilities to partner bill payment messaging with energy efficiency
- Increase energy and financial literacy

# Electrification

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- NYSERDA will coordinate with the Utilities to invest \$31 million through the Clean Energy Fund to advance beneficial electrification in the LMI market segment, while addressing energy affordability and energy reliability.
- These investments will inform long term investments in beneficial electrification for LMI customers and in affordable housing.

## **Opportunities**

- Research and analysis to assess institutional barriers related to energy affordability and affordable housing
- Investment in demonstrations and pilots to identify replicable solutions for heat pump adoption
- Targeted incentives to support heat pump projects for LMI customers
- Consumer education to maximize the benefits of heat pump installations



# Outreach & Engagement Channels

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# Customer Hub

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- Comprehensive web-based portal.
- Primary source of information and entry point to energy efficiency services, programs and energy education available to LMI customers.
- Provide access to local and statewide programs designed to assist in reducing energy burden and improving energy efficiency among LMI sector, including programs such as WAP and HEAP.
- Aligned with statewide brand and local and statewide marketing efforts.
- Plan to launch Customer Hub in September 2020.
- For those LMI customers without access to the web-based portal, an outreach and education plan is being developed concurrently to ensure separate channels of outreach, education and marketing.

# Stakeholder Engagement

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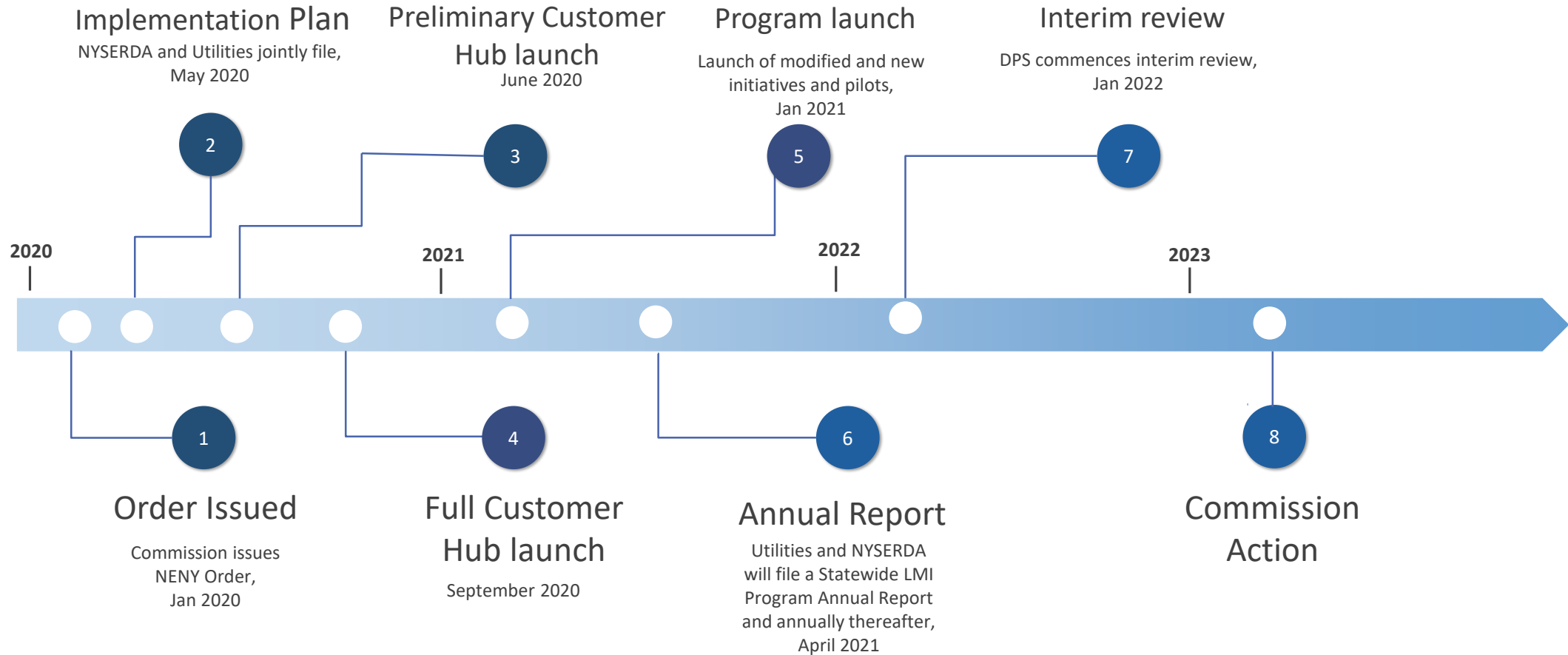
- At least twice annually, the Committee will conduct stakeholder input sessions to review program and portfolio performance and obtain input from those in the field.
- Topical meetings/discussions on market barriers, opportunities and new initiatives, as the portfolio evolves.
- Stakeholders will be encouraged to provide comments and recommendations.
- Stakeholder input sessions may leverage existing stakeholder engagement venues such as the Low-Income Forum on Energy (LIFE).
- LMI Management Committee will generate an annual report that summarizes the portfolio performance, as well as comments received from stakeholders.



# Implementation Milestones

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# Statewide LMI Portfolio Milestones



# 2020 - What to Expect

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- Filing of joint Implementation Plan on May 15, 2020
  - Companion filing to outline stakeholder feedback
- Assessment of opportunities to aid in COVID-19 response
- Continuation of current utility and NYSERDA programs through end of 2020
- Launch of Customer Hub and statewide branding
- Pilots and demonstrations to test approaches to inform long term program design
- Transition of initiatives to complement statewide approach, modified programs to begin launching in 2021
- Subsequent stakeholder meetings bi-annually





# Stakeholder Input

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# Stakeholder Input Form

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- Stakeholder Input Form asks for comments on areas including:
  - Programs
  - Implementation Plan
  - Pilots
  - Ways to obtain stakeholder feedback in the future
- Stakeholder Input Form will be emailed.
- Responses due by April 22<sup>nd</sup>.

# Questions and Comments

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# Thank you

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