



New York State Energy Efficiency Programs for Low-Income Customers

Sandra Reulet

**Utility Supervisor, Office of Energy Efficiency and the Environment
New York State Public Service Commission**

Douglas W. Elfner

**Director, Office of Consumer Policy
New York State Public Service Commission
September 29, 2011 2 PM**



Background

- Energy affordability for low income households has long been a public policy concern in New York
 - Low income households on average pay a much higher share of their income on energy compared to households at higher income levels
 - Low income households are especially vulnerable to rapidly escalating energy costs
- Home weatherization and energy efficiency improvements can provide long-term benefits by decreasing household energy use and corresponding costs
 - Energy efficiency improvements can offer short-term relief for high energy bills as well as long-term help in sustaining such households economically
 - Energy efficiency improvements also can improve the comfort, safety, and value of homes
- The U.S. federal government supports such efforts
 - Low-Income Home Energy Assistance Program (LIHEAP)
 - Weatherization Assistance Program (WAP)
- Low-income programs are also funded via utility rates
 - Utility programs can include rate discounts, arrears retirement, and other direct financial assistance



History of Low Income Programs

- 1988: Niagara Mohawk Power Corporation “Power Partnership” pilot becomes first NYS utility low income program
 - Designed to test a comprehensive approach to providing low income energy efficiency services
 - Included energy use management, education and weatherization components
- 1991 – 1998: Gradual Growth of Utility Low Income Energy Efficiency Programs
 - PSC authorized \$10 million statewide per year
 - Gas and combination gas/electric utilities required to provide comprehensive energy efficiency services to low income households
 - Statewide collaborative to design the program as well as the evaluation structure
 - Program included both weatherization and electric measures
 - gas efficiency services were emphasized
 - gas is the fuel used for heating by the majority of the target population



History of Low Income Programs (cont.)

- SBC I → In 1998 the NYSPSC established the System Benefits Charge (SBC), with an initial funding level of \$77 million per year for three years, to fund public benefits programs with the following program goals
 - Encourage energy efficiency
 - Promote a cleaner environment
 - Reduce energy cost burden on low income New York ratepayers
- SBC II → In 2001 the NYSPSC renewed SBC for five years, with a total funding level of approximately \$150 million per year
 - Expansion of SBC-funding of low income energy efficiency programs up to \$27 million annually
- SBC III → In December 2005, the NYSPSC extended the SBC program for an additional five years (through June 2011), with a total annual funding level of \$175 million
 - Funding for low-income programs increased to \$38 million annually
 - The NYSPSC concluded that public benefit programs in general can deliver greater benefits and operate more effectively on a statewide basis
 - All low income program administration assumed by NYSERDA



Current New York Low Income Energy Efficiency Programs

- NYSPSC currently authorized funding for low income energy efficiency programs is approximately \$66 million per year
- Low income energy efficiency programs provide assistance to low and moderate income households
 - Serves single family buildings with 1 – 4 dwelling units, and multifamily buildings with more than five dwelling units
 - Programs are designed to serve both homeowners and renters



NYSERDA Low Income Energy Efficiency Programs

- **EmPower New York**
 - Provides energy efficiency services to utility customers earning less than 60% of the state median income and households enrolled in utility low income payment assistance programs
 - Provides energy efficiency equipment upgrades such as high efficiency lighting and refrigerator replacements
 - Provides insulation, air sealing, heating system repair and replacement
 - Health and safety measures include carbon monoxide detectors, smoke detectors, repairs to eliminate back-drafting problems, and gas leak repairs
 - In home energy use education
 - Customers are referred to EmPower by their utility
 - There is no cost to the customer to participate in this program
 - For renters, certain measures that directly benefit the eligible tenant are provided without a landlord contribution
 - Average cost of services per project is approximately \$3,600



NYSERDA Low Income Energy Efficiency Programs

- Assisted Home Performance with ENERGY STAR
 - Designed to reduce the energy burden on households through a “whole-house” building performance approach to home improvements such as insulation, space and water heating system measures, replacement window and other energy efficiency improvements
 - Objective of the program is to reduce energy costs of low- and moderate-income households by providing affordable energy efficiency improvements for those that meet the income eligibility requirements
 - Targeted to households with between 60%- 80% of the state's median income
 - Incentives cover up to 50% of the costs associated with the energy-efficiency improvements, up to a maximum of \$5,000 per single-family home or \$10,000 per building for a 3-4 family dwellings
 - Remaining costs are eligible for reduced interest-rate financing