

**Comments from the Community Action Partnership Association
(CAPAI)
To the Interim Committee on Energy, Environment and Technology
On the 2012 Idaho Energy Plan (Draft)**

CAPAI is an association of Idaho's six Community Action Partnerships (CAPs), the Community Council of Idaho and the Canyon County Organization on Aging, Weatherization and Human Services, all dedicated to promoting self-sufficiency through removing the causes and conditions of poverty in Idaho's communities. Energy related programs provided by CAPS include home weatherization and energy assistance for Idaho's citizens that fall into or near the poverty level.

In the past decade Census figures show an increase in poverty rates from 12.6% to 14.4%. While 2% does not seem a great amount, consider that it represents 62,000 more Idahoans in poverty than in 2000. But a more shocking figure is the 38.6% that find themselves at 200% of the poverty level (and therefore qualifying for the home weatherization program), up from 25% ten years ago. This represents 606,000 Idaho citizens who now find themselves in an income category that makes it difficult for families to provide for even the most basic of needs.

While we find that the Idaho Energy Plan speaks to "low cost and affordable" energy and "cost effective" measures, the plan does not speak to the needs of the low income citizens or recognize the many agencies; government, utility related or non-profit; that bring energy programs to the low income in accomplishing the very goals of the State Energy Plan. These goals include providing affordable energy, public outreach and education, innovation in energy conservation and representation for residential customers.

CAPAI and its agencies are responsible for overseeing and administering the following programs:

Low-Income Home Weatherization – This program (known by different names depending on the Investor Owned Utility-"IOU"- implementing responsible for the program) weatherizes homes of the low income, elderly and disabled. In the past several years, due to grants from the Department of Energy and the American Recovery and Reinvestment Act (ARRA), over \$31 million dollars was spent on low income home weatherization, weatherizing over 2,000 homes in Idaho. Idaho was the first state to complete their weatherization goals and to get the second half of the ARRA funds, partly because the need is so great in Idaho, as demonstrated above. This federal program is combined with funds from the three IOU's in the state; Idaho Power contributes \$1.2 million, Avista \$700,000 and Rocky Mountain Power \$300,000. The combined home weatherization program not only contributes to significant energy conservation but also helps to reduce the energy burden and costs on low income families, while supporting more than 110 jobs in Idaho (according to ARRA program reports). The weatherization measures taken and installed under these programs are performed by the CAP responsible for the area in which recipient homes are located.

Public Education and Outreach – CAPAI agencies play a significant role in reaching out to a large group of Idaho citizens. Teamed with the IOU's, all of the agencies have developed public outreach programs that reach over 52,000 Idaho households through the LIHEAP and home weatherization

programs. This outreach includes materials, classes and home energy kits that are designed to help low income families to conserve energy and save on their energy bills.

Innovation – In the past two years CAPAI was chosen among only a handful of states to receive \$6.9 million in ARRA energy funds under a special program called “Sustainable Energy Resources for Consumers.” This program’s goal was to create a path to bring more effective energy conservation measures to the homes of low to moderate income Idahoans by increasing green technology capabilities. The CAPs received pilot funding to install high-performance space conditioning system retrofits; geothermal heating systems; condensing, tankless and solar hot water systems; cool roof technologies; conduct in-home energy displays; and perform community-based social marketing (CBSM) campaigns. The objectives of the program were:

- A. Cost-effectiveness to low and moderate income families
- B. Potential for replication of successful results
- C. Impact on health and safety and energy costs
- D. Extent of partnerships, including financial partnerships

The innovative technology and lessons learned from the program (which is still continuing) will be shared in the energy community.

Energy Assistance – For several decades CAPAI has been involved in the Low Income Heating Energy Assistance Program (LIHEAP). Last year 52,000 Idaho households received assistance with their energy bill payments through this program, funded at \$18.7 million, allowing them to keep the heat on. The impacts of the program on all of Idaho are huge, from potentially avoided health care costs to savings for the utilities on collection issues (the foregoing side-benefits also occur as a result of Low-Income Home Weatherization programs, though LIHEAP provides assistance to vastly more Idahoans and involves considerably more money). Unfortunately, Idaho is only one of just a few states whose law does not allow utilities to participate in creating their own bill assistance payment programs, *even if they feel it would be a good business decision for their utility and its ratepayers!* Although weatherization is extremely helpful to low-income electric customers, it has vastly less potential for assistance than a true bill assistance program would. This is due to many things such as the fact that some households simply don’t benefit from weatherization as much as others.

CAPAI believes that it is utterly essential that bill assistance legislation be passed that would allow the state’s utilities to voluntarily provide assistance to address energy affordability. These programs can be found throughout the vast majority of the country and have been proven to provide not only much needed assistance to the poor, but to provide benefits to all customers resulting from the avoided costs mentioned above and below. According to a 2009 national study, there was a gap of more than \$123 million between what Idahoans could afford to pay for energy and what they actually paid (based on federal affordability standards). More than 25% of Idaho’s citizens, then representing approximately 100,000 households, fell within the federal poverty guidelines for eligibility for the Low Income Heating Assistance (LIHEAP) program. In 2009, there was only enough LIHEAP funding to serve 45,116 of the over 100,000 eligible households. Such a funding gap results in arrearages, disconnections, and losses to utilities, losses which have to be made up by other customers and costs that could be avoided if bill assistance were made available. CAPAI proposes legislation that would make creation of a bill assistance program voluntary on the part of IOUs and would not mandate any particular form of bill assistance program CAPAI’s proposed bill assistance legislation would simply allow utilities the opportunity to engage in a public process overseen and approved by the Idaho Public Utilities Commission IPUC. Such oversight by the IPUC will ensure that any utility-proposed

bill assistance program results in rates that are fair, just and reasonable and otherwise in the best interests of all ratepayers.

Representation of Residential Customers – Over the past ten years CAPAI has been the only consistent intervenor in rate cases to represent residential customer interests. Before that, residential customers had very little voice. But CAPAI's representation has been limited to low income customers of all ages, per our mission. On occasion other consumer groups representing the elderly, and those residential customers with concerns over the environment and conservation have also participated in the process. Intervention in rate cases is costly and time consuming, often prohibiting residential consumer groups from fully participating in the regulatory process. Therefore residential customers, as a group, often do not have adequate representation before state regulatory commissions. We are in support of the idea put forth in other submitted comments of the development of a Consumer Advocate office in Idaho. We have seen, first hand, the result of unaddressed issues deeply impacting the residential class because there have been no resources to bring them to the attention of the PUC.

Recommendations:

CAPAI would like to see the following changes to the Idaho Energy Plan:

- 1) Recognition of low income customers and their needs.
- 2) Formal recognition of the contributions that the programs listed above make aid in accomplishing the plan's goals.
- 3) A recommendation to pass legislation addressing a utility's right to pursue a bill assistance program should that be their decision to do so.
- 4) The development of a Consumer Advocate Office to represent residential customers in Idaho.

CAPAI urges the Committee to include these recommendations in the 2012 Idaho Energy Plan.

Thank you,

Teri Ottens
Community Action Partnership Association of Idaho
208-321-2389
tottens@amsidaho.com