

Commonwealth of Pennsylvania



DEPARTMENT OF
ENVIRONMENTAL PROTECTION

DEPARTMENT OF
COMMUNITY AND
ECONOMIC DEVELOPMENT

February 2, 2017

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Initiative to Review and Revise the Existing
Low-Income Usage Reduction Program (LIURP)
Regulations at 52 Pa. Code §§ 58.1 – 58.18
Docket No. L-2016-2557886

JOINT COMMENTS OF THE PENNSYLVANIA DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT AND DEPARTMENT OF ENVIRONMENTAL PROTECTION

The Pennsylvania Department of Community and Economic Development (DCED) and Department of Environmental Protection (DEP) appreciate the opportunity to comment on the Pennsylvania Public Utility Commission's (PUC) Initiative to Review and Revise the Existing Low-Income Usage Reduction Program (LIURP) Regulations.

In particular, we would like to express our strong endorsement of a robust Low-Income Usage Reduction Program which will continue to assist Pennsylvania residents lower their utility bills, while achieving important environmental benefits. We believe that through its history, LIURP has been cost effective and successful at meeting its goals of reducing energy consumption and helping residents avoid falling into the cycle of utility debt. We also believe that with well-designed modifications, LIURP can reach more residents and achieve greater reductions.

Our agencies support energy efficiency for several reasons. Energy efficiency saves consumers and businesses money, creates jobs, and benefits the economy. Energy efficiency is generally the easiest and lowest cost option for states to reduce greenhouse gas emissions and criteria pollutants. Energy efficiency can reduce power needs and help contribute to increased grid reliability. Pennsylvania's residential sector accounts for roughly a quarter of the total energy usage in the state, and given the Commonwealth's older, less energy efficient housing stock, the opportunities for reductions in this sector are significant.

More importantly, LIURP and similar programs assist low-income Pennsylvanians in addressing a critical need, at a time when utility terminations have been increasing steadily. Low-income residents eligible for LIURP frequently spend two to three times as much—as a percentage of income—as more affluent residents of Pennsylvania. A study of 48 U.S. metropolitan areas by the American Council for an Energy-Efficient Economy (ACEEE) in 2016 for example, found that the “energy burdens” shouldered by low-income residents in Philadelphia and Pittsburgh—9.4% and 8.8% respectively—far exceeded the national average of 2.3%.

Other studies have found even higher energy burdens for low-income utility customers. The ACEEE report noted that bringing the efficiency level of low-income homes up to the efficiency level of the average U.S. home would result in a 35% reduction in burden for low-income households. Weatherization and other services, which LIURP provides, can make a tremendous difference for low-income Pennsylvanians—including particularly older Pennsylvanians—who can face difficult choices between paying the utility bill and addressing other critical needs.

Regulatory revision efforts should focus on ways to reduce barriers to entry and maximize the energy efficiency benefits to low-income consumers—and concomitant environmental benefits—from the LIURP program. This can be accomplished by steps to improve the quality of work performed, prioritization of the most cost-effective practices, and targeted educational and outreach efforts.

Pennsylvania has two primary programs that assist low-income consumers improve home energy efficiency, LIURP and the Weatherization Assistance Program (WAP) which is administered by DCED. Both LIURP and WAP provide resources at the root of the problem, reducing energy consumption by making homes more energy efficient. The coordination of efforts between LIURP programs and other agencies involved in assisting low-income energy consumers has proven effective, and should be continued.

As noted in the Secretarial Letter, DCED's Weatherization Assistance Program has collaborated with PUC's LIURP staff for many years, likely dating back to the beginnings of both programs. Collaboration intensified during the ARRA stimulus timeframe of 2008-2013. At that time discussions unearthed the realization that both programs could consider a unified training approach due to the similar nature of the work, as well as the fact that the programs shared mutual clients as well as mutual subcontractors.

The WAP directed its agencies to coordinate LIURP, utility and WAP services as much as possible to mutual clients. In some cases, the collaborations have been very smooth and easy to accomplish, but in others rather distant, depending on the subcontractors and the basic rules and requirements of the weatherization services conducted. A shared belief, though, has been that high-energy users should be prioritized and services coordinated as much as possible. There have been numerous success stories of "whole-house" weatherization approaches which have been made possible as result of these collaborations.

Since 2013, DCED and PUC coordination has continued and have been strengthened through the DCED WAP Policy Advisory Council. LIURP, Utilities, DEP, DHS and the DOH are all represented on the council along with WAP and LIURP agency subcontractors and other energy advocates. Efforts have focused on the implementation of new federal Standard Work Specifications (SWS) established nationally, as well as the Home Energy Professional's (HEP) work certifications which include nationally recognized certifications for Quality Control Inspectors, Weatherization Auditors, Workers and Crew Chiefs.

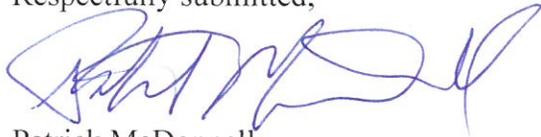
These certifications are managed by IREC accredited institutions, which in Pennsylvania include Penn State College of Technology's National Sustainable Structures Center, as well as the Knight Training Center of the Energy Coordinating Agency in Philadelphia, both of which receive WAP training and technical assistance funds for particular training and services rendered. The NSSC is the lead WAP training center and also serves in various capacities directly with the federal Department of Energy.

The national SWS as well as the Home Energy Professional Certifications have appeared as the Building Performance Institute's effort at coordinating and defining quality weatherization work for the nation. The PA WAP adopted these SWS as well as the Quality Control Inspection certification and the actual Quality Control Inspection of all weatherized units since 2015. The WAP agency network continues to work hard at implementing these new standards and certifications which raises the bar on the quality of work conducted in low-income homes.

Further rigorous implementation strategies will continue, and under a Memorandum of Understanding between the DCED WAP and PUC's LIURP program, will include data analysis and results in order to review the success and progress of these new standards. Dependent upon these results, unification of LIURP and utility programs with the WAP national standards and work certifications could be a future consideration or recommendation for more effective services to the low-income population, as well as continued energy savings for them and for the state as a whole. Continued collaborations between the WAP and LIURP will maximize energy savings resources and benefits to the low-income citizens of PA.

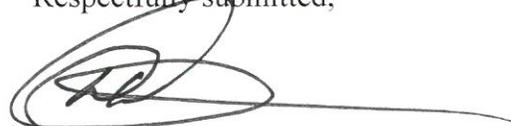
Finally, our agencies have reviewed the report of the Consumer Services Information System Project at Pennsylvania State University (CSIS PSU), which was presented to the PUC in 2009, and which contains numerous recommendations for further evaluation or incorporation into LIURP. As the Secretarial Letter notes, review of the report was suspended in deference to proceedings then in progress regarding customer assistance programs (CAP) and universal service rulemakings. No action was ultimately taken to update the CAP regulations, or to continue review of the CSIS PSU report. Our agencies support the PUC's effort to restart the conversation regarding LIURP, and would also support renewed engagement on the CAP requirements at an appropriate time.

Respectfully submitted,



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Acting Secretary
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Respectfully submitted,



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