



20 N. Wacker Drive, Suite 1301
Chicago, Illinois 60606
312.587.8390 Main Line
312.587.8391 Fax
www.mwalliance.org

September 30, 2020

Illinois Commerce Commission
Leland Building 527 East Capitol Avenue
Springfield, IL 62701

RE: Midwest Energy Efficiency Alliance (MEEA) Response to Notice of Inquiry Regarding Energy Affordability (20-NOI-01)

Thank you for the opportunity to submit information in response to the critical questions regarding energy affordability posed by Notice of Inquiry 20-NOI-01. As the Midwest's principal proponent, information source and networking forum for energy efficiency policy, MEEA helps educate and advise a diverse set of stakeholders on new and meaningful ways to pursue an energy-efficient agenda that's achievable, beneficial and cost-effective.

With a knowledgeable and experienced staff capable of producing high-value content across a broad range of energy efficiency issues, we take pride in educating legislators and regulators throughout the region to recognize and implement cost-saving measures that are environmentally sound with a positive economic impact. We are recognized in the policymaking process and are frequently relied upon as an expert resource, weighing in on proposed policies, identifying opportunities for businesses and helping explain the benefits of embracing energy efficiency.

Energy affordability and energy efficiency are both uniquely complex and yet interrelated policy issues. More specifically, increasing access to energy efficiency programs and upgrades offers one potential pathway to sustainably mitigating energy affordability issues that impact household indoor air quality, thermal comfort and safety (ACEEE). MEEA appreciates the opportunity to provide research and analysis at the nexus of energy efficiency and affordability to inform a solutions-oriented discussion.

MEEA is also an active member of [Energy Efficiency for All](#) (EEFA), a national coalition that unites housing, health, energy and environmental advocates and leaders to work towards making multifamily affordable homes energy and water efficient. Working with EEFA in Michigan, Minnesota, Missouri and Illinois has enabled MEEA to facilitate dialogue, publish research and coordinate regional information sharing about energy efficiency access and equity issues with advocates, state and local governments and utilities in the Midwest.

These comments aim to synthesize research and key stakeholder subject matter expertise from both MEEA's internal and external sources into informative and usable



insights that help the Commission consider energy affordability issues in Illinois. MEEA would be happy to provide more details or have further discussions related to any of this information.

Section C: Definitions

Part 1: How should the following terms be defined? Are there federal or other state standards or guidelines that more clearly define these terms?

MEEA commends the ICC on its effort to clarify and define critical terms related to energy affordability and access issues. Establishing consensus on the most accurate and widely acceptable way to discuss energy affordability issues mitigates the risk of stigmatizing those impacted by such issues. MEEA conducted research, leveraging publicly available material from federal guidance, state statutes and leading industry stakeholders, in order to offer definitions for terms that we consider relevant to your inquiry. These definitions are meant to offer a basis for discussion and refinement; they are not, however, meant to definitively recommend certain definitions, excluding all alternative options.

- A. Affordability:** According to a report by the American Council on an Energy Efficient Economy (ACEEE), “energy affordability” refers to “a household’s ability to pay for its electricity, heating and cooling and other energy costs” (Drehobl and Ross 2016). One threshold for “affordability” establishes that home energy bills should be equal to or less than 6% of gross household income to be considered “affordable” (Home Energy Affordability Gap). This designation is often used amongst energy affordability and efficiency advocates and thus may be helpful in your consideration.
- B. Low-Income:** Established federal guidelines for poverty alongside a definition in existing Illinois statute for “low-income” are two sources that may inform discussions on the appropriate definition for this particular context.
- The U.S. Department of Health and Human Services issues annual updates to the federal poverty guidelines, most recently published on January 17, 2020. For example, according to the 2020 Poverty Guidelines, a family of four with an annual income at or below \$26,200 is considered as meeting federal poverty guidelines (DHHS 2020). Some programs, like Low Income Home Energy Assistance Program (LIHEAP), use multiples of the federal poverty guidelines (i.e. 200%) to determine eligibility.
 - According to the Illinois Affordable Housing Act, “low-income household” means a single person, family or unrelated persons living together, whose adjusted income is more than 50%, but less than 80%, of the median income of the area of residence, adjusted for family size, such adjusted income and median income for the area are determined by the United



20 N. Wacker Drive, Suite 1301
Chicago, Illinois 60606

312.587.8390 [Main Line](tel:312.587.8390)

312.587.8391 [Fax](tel:312.587.8391)

www.mwalliance.org

States Department of Housing and Urban Development for purposes of Section 8 of the United States Housing Act of 1937" (310 ILCS 65/3, Sec. 3).

- "'Very low-income household' means a single person, family or unrelated persons living together, whose adjusted income is not more than 50% of the median income of the area of residence, adjusted for family size, as such adjusted income and median income for the area are determined by the United States Department of Housing and Urban Development for purposes of Section 8 of the United States Housing Act of 1937" (ILCS 310 65/3, Sec. 3).

C. Critical Medical Needs Customers: MEEA looked to other states' commission guidelines and statutes to find an operational definition for this term. While definitions vary across states, we have identified a useful example from the Michigan Public Service Commission. It defines a "critical care customer" as "any customer who requires, or has a household member that requires home medical equipment or a life support system, and who has provided appropriate documentation from a physician or medical facility to the utility identifying the medical equipment or life-support system and certifying that an interruption of service would be immediately life-threatening" (Michigan PSC, R 460.102, Rule 2).

D. Delinquency: Not Included

E. Disconnection: Drawing from other Midwestern states for operational definitions, we identified two potential options that may be useful for consideration. Disconnection refers to "an event or action taken by the utility to terminate or discontinue the provision of service, but does not include a customer-requested termination of service" (Wisconsin PSC 185.12, Sec. 10). An alternative definition is "the involuntary loss of utility heating service as a result of a physical act by a utility to discontinue service. Disconnection involves installation of a service or load limiter or any device that limits or interrupts utility services in any way" (Minnesota Statutes 216B.096 (d)).

Part 2: Are there other undefined terms that are critical to understanding utility service affordability and/or the ability of customers to receive essential levels of electric, natural gas, water and sewer services and, if so, how should such terms be defined?

MEEA would like to offer the following terms for consideration. We believe these terms and their corresponding definitions enable more granular and methodical analysis and discussion of affordability challenges. Drawing from government, industry and academia, these additions aim to prompt consideration of new and/or interdisciplinary ways to conceptualize energy affordability. This list is not exhaustive but does include some commonly used industry terminology.

- **Energy burden:** The American Council on an Energy Efficient Economy (ACEEE) defines energy burden as "the proportion of total household income used to pay



20 N. Wacker Drive, Suite 1301
Chicago, Illinois 60606

312.587.8390 [Main Line](tel:312.587.8390)
312.587.8391 [Fax](tel:312.587.8391)

www.mwalliance.org

home energy bills, which include electricity, natural gas and other heating fuels” (Drehobl and Ross 2016). ACEEE calculates energy burden by dividing a given household's total annual utility spending by its annual gross income. A 6% threshold is often used to designate “burdened”, and a 10% threshold is often used to designate “severely burdened.” The concept of energy burden has previously been used to pinpoint disparities at the household level and hence identify vulnerable groups who are disproportionately impacted by energy and housing equity issues, including African Americans, Latinos, renters, low-income populations, and low-income multifamily housing residents (Drehobl and Ross 2016).

- **Energy poverty** : An *Energy Policy* journal publication defined ‘energy poverty’ as “an inability to realize essential capabilities as a direct or indirect result of insufficient access to affordable, reliable and safe energy services, and taking into account available reasonable alternative means of realizing these capabilities” (Day et al. 2016). This definition is particularly useful because it centers the definition of energy poverty around “capabilities,” recognizing that energy impacts not only access to amenities (heating, cooling, lighting, etc.) but also socio-economic capabilities and daily functions that are essential to quality of life.
- **Energy insecurity**: A National Institutes of Health publication defines energy insecurity as “a multi-dimensional construct that describes the interplay between physical conditions of housing, household energy expenditures and energy-related coping strategies” (Hernandez 2016). More literally, energy insecurity describes an “inability to adequately meet basic household energy needs” (Hernandez 2016). However, the term is understood to encompass economic, physical and behavioral aspects of insecurity and the detrimental environmental, health and social consequences.
- **Home Energy Affordability Gap**: The Home Energy Affordability Gap is a calculation derived from subtracting affordable home energy bills from actual home energy bills. The “affordable burden” for home energy bills is set at 6% of gross household income and the “affordable burden” for home heating and cooling is set at 2% of gross household income (Fisher, Sheehan, & Colton). There are various physical, economic, behavioral and policy drivers of high energy burdens that create this home energy affordability gap. The energy affordability gap could be useful for high-level analysis of differences in the magnitude of affordability issues across a given jurisdiction.
- **Energy use intensity**: Energy use intensity is defined as “energy consumption normalized by building square area” (Reames 2016). According to Dr. Reames, energy use intensity is critical to understanding utility service affordability because although low-income customers tend to use less energy overall due to



20 N. Wacker Drive, Suite 1301
Chicago, Illinois 60606
312.587.8390 Main Line
312.587.8391 Fax
www.mwalliance.org

smaller living spaces, they often pay for more energy per square area, indicating energy inefficient housing (Reames 2016).

Section G: Energy Efficiency Measures

Question 2: What energy efficiency information, surveys or other data are available that address the effect of utility energy efficiency program participation on affordability and/or the ability of customers to receive essential levels of electric services?

Federal, state and local governments and utilities all offer critical tools and data that can help address these questions. To begin, utilities offering income-qualified energy efficiency programs likely have internal or publicly available program evaluation data that could explain the extent to which program participants have reduced their annual energy costs. Developing and tracking metrics related to affordability, with collaboration from utilities, is a critical strategy to ensuring programs are maximizing cost savings for customers.

In addition to utility data, the federal government offers certain no-cost resources that provide insight into the ability of customers to receive essential levels of electric services. For example, the United States Department of Energy [Clean Energy Solutions for Low-Income Communities Accelerator \(CELICA\)](#) provides a suite of tools to program administrators, including the [Low-Income Energy Affordability Data \(LEAD\)](#) tool, which can identify census tracts with the greatest energy burden (U.S Department of Energy).

Outside of federal resources, state and local governments have launched studies to better understand energy efficiency access issues and affordability challenges. Adopting or modifying techniques from such studies can help Illinois better understand these issues. For example, a study performed for the City of Kansas City (MO) used energy use intensity (EUI) as a proxy for understanding the spatial distribution of energy burdens, enabling the city to more accurately assess affordability issues and deliver targeted programs to the most energy-burdened areas (Reames 2016).

The study looked at how residential heating EUI varied across the census blocks in the tri-county area of Kansas City and interacted with demographic and housing characteristics (Reames 2016). The study leveraged data from EIA's Residential Energy Consumption Survey (RECS), census data and individual household data. Findings showed higher heating EUI (lower efficiency) correlated with census block groups of lower median incomes, greater proportion of households below the poverty line, greater proportion of minority households and less than high school diploma level education. The study recommended replicating this analysis to other urban areas to identify trends and geographically-targeted interventions, as "modeling energy use intensity rather than total energy consumption provides more meaningful information for analyzing disparities and targeting the most appropriate intervention to the appropriate location" (Reames 2016).



Based on these studies, MEEA recommends that data and data analysis methodologies from the federal government, state/local governments and Illinois-based utilities could be collectively leveraged to better understand the way access to energy efficiency programs impacts affordability and the extent to which Illinois customers can access essential levels of electric service.

Question 4: What changes could be made to utility energy efficiency programs to make them more effective at increasing the affordability and/or the ability of customers to receive essential levels of electric services?

MEEA has identified several noteworthy tools and programs that can increase understanding of the key drivers of affordability issues and enhance evaluation of the ability of customers to receive essential levels of electric service. This section will synthesize some high-level findings, drawing examples from around the Midwest, to provide regional insights:

- ***Interdisciplinary, geospatial analysis of customer demographics, housing stock characteristics and energy efficiency:*** Understanding trends in housing stock, demographics and energy efficiency can complement efforts to understand the spatial distribution of energy burdens. The [Twin Cities Energy Mapping Tool](#) is a GIS-based tool that the Minneapolis and St. Paul used to map the era in which buildings were built (Edwards and Waldhart 2013). This tool uncovered which buildings were most likely to be energy inefficient and/or have health and safety issues based on housing characteristics. The tool can be replicated in utility service territories to create an inventory of properties to target for efficiency programs.
- ***Development of an Energy Efficiency Equity Baseline (E3b):*** Researchers at the University of Michigan developed the [Energy Efficiency Equity Baseline \(E3b\)](#) as a normative baseline metric to determine how equitable a utility's low-income program budget is relative to the whole portfolio, accounting for characteristics of the utility service territory. The metric defines equitable investment into low-income energy efficiency programs as proportional to the utility territory's low-income population.¹ The study that developed this metric compared several utilities' E3b deficit or surplus (normalized by portfolio size), the difference between a utility's current annual low-income spending and the estimated E3b spending level, as well as the percent of E3b spending achieved.
 - It is notable that following the passage of the Future Energy Jobs Act (FEJA), which required a minimum level of spending for Income Qualified efficiency programs, ComEd and Ameren significantly increased the

¹ The baseline is calculated as such: E3B Investment = low-income population (%) * total residential energy efficiency investment (\$) (Reames and Stacey 2019).



20 N. Wacker Drive, Suite 1301
Chicago, Illinois 60606

312.587.8390 [Main Line](tel:312.587.8390)

312.587.8391 [Fax](tel:312.587.8391)

www.mwalliance.org

spending on IQ programs. More specifically, the study found that ComEd and Ameren Illinois programs administered from 2012 to 2015 achieved 36% and 20% of their E3b spending level. For reference, the Future Energy Jobs Act (FEJA) was enacted into law in 2016. From 2015 to 2018, ComEd and Ameren Illinois achieved 80% and 126%. From 2018 through 2021, the study projected that ComEd and Ameren Illinois will achieve 86% and 123% of E3b spending level (Reames and Stacey 2019), respectively.

- E3b is a valuable metric for determining and tracking equitable spending levels for low-income energy efficiency programs.
- **Energy Efficiency Financing Gap Analysis:** The state of Michigan in partnership with Michigan Saves, the state's green bank, performed an energy efficiency financing gap analysis. The study developed a model to estimate the number of households in the state that don't qualify for funding from state or utility income-eligible energy efficiency programs or traditional financing programs, as well as to map the counties that have the greatest concentration of households that fall within this gap. Data used to estimate the number of households in the coverage gap included loan data from Michigan Saves Home Energy Loan Program applications (for self-reported income, credit score, loan amount and debt-to-income ratio), Census Bureau American Community Survey (ACS) demographic data, Fair Isaac Corporation (FICO) data for annual averages and county-level data from Fisher, Sheehan and Colton's Home Energy Affordability Gap model, which provides the number of households below the 200% federal poverty line (consistent with the state's Weatherization Assistance Program (WAP) eligibility criteria).
 - The coverage gap for each county was calculated as the total number of households in a county minus the number of households who met WAP income eligibility and the number of households that are likely able to access traditional financing mechanisms (Forrester and Reames 2020). The statewide coverage gap was the proportion of households in the state that fell in this coverage gap. The study found 12%, or about one in eight Michigan households fell in the coverage gap, with county level gaps ranging from 0% to 24% (Forrester and Reames 2020). A similar analysis can be done in Illinois to understand the magnitude of financing coverage gaps.
- **Increased Coordination between Energy Assistance and Energy Efficiency Programs:** Increasing coordination—at state agencies, the Commission and utilities—can help link customers who are struggling to pay their energy bills to energy efficiency programs. In Michigan, recent discussions between the Michigan Public Service Commission (MPSC), DTE Energy and energy advocates led to a DTE Energy pilot proposal to enhance coordination between these programs to better serve low-income customers. After identifying customers who



20 N. Wacker Drive, Suite 1301
Chicago, Illinois 60606
312.587.8390 Main Line
312.587.8391 Fax
www.mwalliance.org

are in arrears, DTE Energy will provide Quarterly Tiered Energy Reduction Credits for customers who lower their energy consumption through provided efficiency programs and measures. The goal of this pilot is to determine if better linkage between energy efficiency and energy assistance can reduce DTE Energy's service shutoff rate, increase customer on-time payment rate, reduce energy consumption and reduce arrearages (and their related costs to the customers and utilities). Discussions are ongoing to finalize details (DTE Energy).

- **Streamlining Eligibility Requirements and Application Processes for Energy Assistance and Efficiency Programs:** The MPSC recently ordered its staff to utilize existing workgroups to discuss processes for improved coordination between assistance and efficiency. Through the MPSC's Energy Waste Reduction Low-Income Workgroup, utility filings and an upcoming staff report due in February 2021, the MPSC is working to determine concrete ways to better improve this coordination. In that order, the MPSC outlined ideas that they hope to see researched and discussed by stakeholders, including: aligning eligibility requirements, streamlining application processes, reducing undue burdens on applicants, creating new efficiency programs and increasing MPSC and utility flexibility (MPSC 2020).

Question 5: How effective are weatherization programs currently available to customers at increasing affordability and/or the ability of customers to receive essential levels of electric and natural gas services?

This section aims to provide some information on our understanding of the basic mechanics of weatherization assistance programs in Illinois and highlight a couple features of other Midwestern states' approaches for comparison.

For context, Illinois Home Weatherization Assistance Programs (IHWAP) receive funding from three sources:

1. State government funding allocated through the Low-Income Home Energy Assistance Program (LIHEAP). In a typical year, IHWAP receives 15% of the annual LIHEAP budget, or around 25 million USD.
2. Federal government funding from the United States Department of Energy (DOE). Illinois reportedly receives approximately 12 million USD from DOE depending on the year.
3. Utility funding collected through a metered surcharge on the utility bills of Ameren Illinois, Nicor, ComEd, People's Gas and North Shore Gas customers. This funding is only distributed to agencies that are in those five utility's service territories.

The two government sources are then braided with utility dollars to implement programs across the state. In northern Illinois, utility dollars are more flexible in how they can be used; however, Ameren requires that funding go towards air sealing and insulation. In



20 N. Wacker Drive, Suite 1301
Chicago, Illinois 60606
312.587.8390 Main Line
312.587.8391 Fax
www.mwalliance.org

southern Illinois, IHWAP dollars are used for mechanical projects, but utility dollars can only be used for architectural and health and safety projects. In both regions, individual funding sources have restrictions, so combining them into braided programs can enable a larger impact in each home. In northern Illinois, there are also utility-only programs, or programs that exclusively rely on utility dollars.

The LIHEAP and DOE dollars are distributed across 33 community action agencies (CAA) by a third-party administrator based on the index of needs. The index of needs includes the population of the county, the percentage of people in poverty, the number of heating degree days and other data points. This formula resembles that of the LIHEAP Program and determines allocation.

In addition to restrictions on how weatherization funding can be allocated, eligibility requirements to access weatherization funding also varies by funding source. For example, federal funding can serve customers up to the 200% of the federal poverty level, whereas state funding can only serve up to the 150% of the federal poverty level. Therefore, implementing agencies must consider how much funding they receive from each source to determine which customers' homes they can sufficiently weatherize.

Before weatherization occurs on a house, health and safety checks must be completed to ensure the home is free of asbestos or other hazards. Some of the community action agencies in Illinois have funding available to address these issues to increase the accessibility of the weatherization program. However, this funding is first-come, first-served and often runs out quickly. Once a weatherization upgrade is implemented, Illinois mandates a Quality Control Inspection (QCI) within fifteen days of the completion of the project. If there is an issue with something the contractor implemented, there is a warranty that mandates the contractor to fix the problem. This warranty lasts for one year from the date the installation was completed, so even if a problem arises after the QCI, the contractor still must fix the problem.

Other Midwestern states have similar structures to IHWAP in terms of receiving state/LIHEAP funding and DOE funding that are then distributed to implementing agencies across the state. More specifically, like Illinois, Wisconsin has a surcharge on the utility bill of its residents. However, one noteworthy difference is that the charge is on every single Wisconsin resident's bill, not just certain utility companies' customers. The money collected through this charge is sent to a Public Benefit Fund that allocates the money to Wisconsin weatherization assistance programs. The dollars from the fund are distributed by the same department that distributes the state and DOE dollars so there is only one, centralized body that combines and allocates all weatherization funding. The money from the Public Benefit Fund is the largest source for their annual funding and allows Wisconsin to pursue more flexible projects and extend their dollars further.

Looking to other Midwestern states, Iowa has one main state agency, the Iowa Department of Human Rights, that administers its Weatherization Assistance Program



20 N. Wacker Drive, Suite 1301
Chicago, Illinois 60606
312.587.8390 Main Line
312.587.8391 Fax
www.mwalliance.org

(WAP). Likewise, Michigan leverages a single, state agency, the Department of Health and Human Services (DHHS) to manage the allocation of weatherization funding from both U.S. DOE and the state LIHEAP. On the other hand, Minnesota tasks its Department of Commerce with distributing federal funding and working with its 24 community action agencies for implementation. Utilities can also supplement federal dollars with Conservation Improvement Plan (CIP) – Minnesota's version of energy efficiency planning - funding by partnering with individual agencies. Hence, it works to coordinate weatherization assistance distribution with 24 CAAs and 120 utility Conservation Improvement Plan (CIP) programs.

In conclusion, comparing Illinois' program to other Midwestern states' processes may be insightful for understanding alternative models of targeting, allocating and implementing weatherization assistance programs.

Question 6: Identify obstacles faced by low-income consumers that prevent them from participating in weatherization programs?

While there are many salient obstacles inhibiting the participation of low-income customers in weatherization programs, we would like to highlight two noteworthy obstacles for further examination: 1) pervasive health and safety issues in housing and corresponding coordination issues preventing their resolution and 2) social barriers impacting information-sharing with eligible communities about weatherization programs available.

There is considerable research to suggest that walkaway issues related to health and safety hazards in housing account for a large number of deferred candidates seeking weatherization assistance. For example, according to a key stakeholder interview, the Community and Economic Development Association of Cook County (CEDA) has a deferral rate of 39%. CEDA serves all of Cook county and is one of the largest implementing agencies in the state. This deferral rate is caused by structural issues at the home that prevent the agency from performing any work. Before weatherizing a home, there is a home verification test to ensure they can do work on a home and if there is a health and safety issue - like flood damage or a hole in the roof - they are unable to proceed. As such, enhancing coordination and funding availability for addressing underlying housing quality issues to successfully enable weatherization may address a crucial barrier to access.

Secondly, efforts to pinpoint and better understand social barriers to accessing weatherization assistance are also important for consideration. For example, stakeholders in the Kansas City Green Impact Zone Weatherization initiative conducted a case study analysis of barriers to participation in weatherization programs. The American Recovery and Reinvestment Act of 2009 funded the initiative, which was



20 N. Wacker Drive, Suite 1301
Chicago, Illinois 60606
312.587.8390 Main Line
312.587.8391 Fax
www.mwalliance.org

active through 2014. The initiative was a type of community-based energy project, which “recognize[s] that individual barriers alone may not fully explain inaction on energy efficiency, but taken together they impede the potential for improvements and therefore must be addressed collectively” (Reames 2016). The initiative found that a lack of access to information, disengagement and distrust from community members stemming from historical marginalization were persistent barriers. To address such barriers, the initiative employed a community-based approach to outreach, using social networks associated with a community-based organization. Another key strategy was developing the institutional capabilities of neighborhood associations and community partners, for example through advocacy training, to assist in massive, door-to-door outreach campaigns to address lack of information on weatherization and communication barriers for both tenants and their landlords.

Question 7: What changes could be made to weatherization programs to make them more effective at increasing the affordability and/or the ability of customers to receive essential levels of electric services?

Illinois has already made strides in addressing the needs of income-qualified stakeholders through the existing Income-Qualified North and South Advisory Committees. These committees convene quarterly to share progress on programs and discuss stakeholder feedback, including on coordination efforts between the utility and state braided IHWAP program. There is potential for these bodies to be venues for further exploration and discussion on how to strengthen weatherization programs and their coordination with other utility program offerings. This should include increased outreach to and participation by community leaders to assess the totality of intersecting needs and barriers. Coordination and maximization of available federal, state and utility resources will serve to place the program solutions where they are needed most.

Furthermore, taking a quick survey of practices around the country, there are notable features of other states' weatherization programs that may inform the Commission's thinking on this question:

- **California's Low-income Weatherization Program** utilizes a single point of contact to facilitate its whole-building energy efficiency services, which can fund up to 80% of an efficiency project. The Association for Energy Affordability acts as the program's single point of contact, assisting with coordinating rebates and incentives, identifying contractors and on-site assessments, among other services (Association for Energy Affordability).
- **Massachusetts' Low-income Energy Affordability Network** is the state's single point of contact for the various low-income multifamily retrofit programs that the



20 N. Wacker Drive, Suite 1301
Chicago, Illinois 60606
312.587.8390 Main Line
312.587.8391 Fax
www.mwalliance.org

state's electric and gas utilities offer. They provide state-wide coordination between multiple utilities and the affordable housing community. They provide the technical expertise as well, including benchmarking tools, energy audits, development and approval of scope of work. They also handle grant allocation, project management, contractor identification and quality assurance. Lastly, a workgroup comprised of program administrators meets regularly to align program incentives and develops proposals for new measures (Mass Save).

- **Efficiency Vermont, Low-Income Electric Efficiency Program (LEEP)** leverages contracts with the state Weatherization Assistance Program (WAP) agencies to install energy efficiency measures in income-eligible, single- and multifamily homes (Nowak et al 2019). The program provides a Targeted High Use Program that provides zero-cost energy coaching, energy assessment and both product and HVAC upgrades to program participants. The LEEP program “reduces energy burden by implementing whole-house direct-installation energy services and pays for the cost of energy coaching while creating minimal disruption for customers” (Nowak et al 2019). Some distinctive elements of this program include the usage of partnerships with affordable housing, health and WAP service providers to enable complimentary and simultaneous service delivery and optimize program impact by using energy efficiency program funding in the least restrictive ways possible.
- **NHSaves, Home Energy Assistance Program (HEA)** utilizes a “whole-house approach” that delivers everything from the energy audit to the actual installation and inspection (Nowak et al 2019). The program is implemented with Community Action Agencies (CAA) and actively collaborates with state and federal Weatherization Assistance Programs. In order to target high-need homes, the program uses a home heating index tool to pinpoint houses with high energy use per square foot. Then, it offers fuel-neutral weatherization assistance to both electric and gas customers; it also provides both incentives and low-interest financing options to residents after the energy audit is conducted to motivate them to follow through with the upgrades (Nowak et al 2019).

Conclusion

In closing, we hope that the information in this response is useful to the Commission's discussions and decision-making on energy affordability issues. We also greatly appreciate the effort of the Commission to solicit ideas from a broad range of stakeholders about the increasingly timely and consequential issue of energy affordability in Illinois. If you have any questions or need more information, you can contact me at 312-784-7267 or via email at sparadis@mwalliance.org. Thank you for this opportunity, we look forward to providing additional assistance.



20 N. Wacker Drive, Suite 1301
Chicago, Illinois 60606

312.587.8390 [Main Line](tel:312.587.8390)

312.587.8391 [Fax](tel:312.587.8391)

www.mwalliance.org

Sincerely,

Stacey Paradis

Executive Director, MEEA



20 N. Wacker Drive, Suite 1301
Chicago, Illinois 60606
312.587.8390 Main Line
312.587.8391 Fax
www.mwalliance.org

Works Cited

Day, Rosie. Simcock, Neil. Walker, Gordon. "Conceptualizing Energy Use and Energy Poverty Using a Capabilities Framework." *Energy Policy* 93, (2016): 255 – 264. Accessed September 16, 2020.

<https://www.sciencedirect.com/science/article/pii/S0301421516301227>

Drehobl, Ariel. Ross, Lauren. "The US Low-Income Energy Affordability Landscape: Alleviating High Energy Burden with Energy Efficiency in Low-Income Communities." American Council for an Energy Efficient Economy. 2016.

https://www.aceee.org/files/proceedings/2016/data/papers/11_326.pdf

Edwards, Jenny. Waldhart, Emma. "Twin Cities Energy Mapping Tool." 2013. Accessed September 21, 2020.

<https://www.mncee.org/resources/projects/twin-cities-energy-mapping-tool/>.

Forrester, Sydney. Reames, Tony. "Understanding the Residential Energy Efficiency Financing Coverage Gap and Market Potential." *Applied Energy* (2020): 1-12.

<https://doi.org/10.1016/j.apenergy.2019.114307>

Hernández, Diana. "Understanding 'energy insecurity' and why it matters to health." *Social Science & Medicine* (1982) vol. 167 (2016), pp. 1-10.

<https://doi.org/10.1016/j.socscimed.2016.08.029>

"Home Energy Affordability Gap." Home Energy Affordability Gap. Fisher, Sheehan and Colton. Accessed 23 September 2020.

<http://www.homeenergyaffordabilitygap.com/index.html>

Illinois General Assembly. Illinois Compiled Statutes Chapter 305. Healthy Local Food Incentives Program.

<https://www.ilga.gov/legislation/ilcs/documents/030500050K12-4.50.htm>

Illinois General Assembly. Illinois Compiled Statutes Chapter 310. Illinois Affordable Housing Act.

<https://www.ilga.gov/legislation/ILCS/ilcs3.asp?ActID=1435&ChapterID=29>

Illinois General Assembly. Illinois Compiled Statutes Chapter 750. Families.

<https://www.ilga.gov/legislation/ilcs/ilcs3.asp?ActID=2477&ChapterID=29>

"Low-Income Self-Sufficiency Plan." DTE Energy. Accessed September 23, 2020.



20 N. Wacker Drive, Suite 1301
Chicago, Illinois 60606
312.587.8390 Main Line
312.587.8391 Fax
www.mwalliance.org

<https://www.newlook.dteenergy.com/wps/wcm/connect/dte-web/home/billing-and-payments/common/energy-assistance/low-income-self-sufficiency-plan>

"Low-Income Weatherization Program - Large Multi-Family (CA)." Association for Energy Affordability Inc. Accessed September 24, 2020.

<https://www.aea.us.org/efficiency-programs/low-income-weatherization-program-large-multi-family-ca.html>

"Mass Save Low-Income Multi-Family Retrofits Program Guide." Mass Save, 7 October 2019.

Michigan Public Service Commission. Case U-20757. Order. 23 July 2020. <https://mi-psc.force.com/sfc/servlet.shepherd/version/download/068f000000D7FkoAAF>

Minnesota Statutes 2014. Chapter 216 Public Utilities Commission Proceedings.

<https://www.energy.gov/sites/prod/files/2015/06/f22/216A-G.pdf>

Nowak, Seth. Kushler, Martin. White, Patti. "The New Leaders of the Pack: ACEEE's Fourth National Review of Exemplary Energy Efficiency Programs." American Council on an Energy Efficient Economy. January 2019. Accessed September 30, 2020.

<https://www.aceee.org/sites/default/files/publications/researchreports/u1901.pdf>

Reames, Tony. Stacey, Ben. "A Multi-State Analysis of Equity in Utility-Sponsored Energy Efficiency Investments for Residential Electric Customers." 2019.

https://poverty.umich.edu/files/2019/05/Energy_efficiency.pdf.

Reames, Tony. "Targeting energy justice: Exploring spatial, racial/ethnic and socioeconomic disparities in urban residential heating energy efficiency." *Energy Policy* (2016): 1-10. <https://doi.org/10.1016/j.enpol.2016.07.048>

"Understanding Energy Affordability." American Council for an Energy Efficient Economy. Accessed September 6, 2020.

<https://www.aceee.org/sites/default/files/energy-affordability.pdf>

U.S. Department of Energy Better Buildings. "Clean Energy for Low Income Communities



20 N. Wacker Drive, Suite 1301
Chicago, Illinois 60606
312.587.8390 Main Line
312.587.8391 Fax
www.mwalliance.org

Accelerator (CELICA) Overview." U.S. Department of Energy. Accessed September 23, 2020. <https://betterbuildingsolutioncenter.energy.gov/CELICA-Toolkit>

Wisconsin Statutes. Public Service Commission.

https://docs.legis.wisconsin.gov/code/admin_code/psc/185.pdf