
Assessment of Input Received at
2018 LMI Stakeholder Forums
Case 18-M-0084

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1. Introduction

As directed by the New York State Public Service Commission (“Commission”) in the Order Adopting Accelerated Energy Efficiency Targets (“Accelerated EE Order”), issued December 13, 2018, the New York State Department of Public Service (DPS) and the New York State Energy Research and Development Authority (NYSERDA) submit this report assessing the input received through the series of Low to-Moderate-Income (LMI) Stakeholder Forums held between September and November 2018.

The series of seven stakeholder forums were hosted by DPS and NYSERDA to solicit input on the New Efficiency: New York proposal¹ and inform the development of future initiatives to address energy affordability and access to clean energy solutions in the LMI market segment. The forums were held across the state and were attended by more than 250 individuals from 120 organizations representing human service and community-based organizations, advocates, local government, contractors, installers, developers, and utilities. The forums featured robust discussion and engagement on topics across the LMI energy landscape including energy efficiency, energy affordability, access to renewables, environmental justice, affordable housing, coordination, and feedback on existing programs. Across the forums, DPS and NYSERDA identified 44 specific comments, which were summarized along with additional detail on the discussion at each forum in the *LMI Stakeholder Forums Summary Report*, filed December 11, 2018.²

As the Commission noted in the Accelerated EE Order, a common theme throughout the forums was a request from stakeholders for more visibility into the processing of comments and input provided by stakeholders. This report seeks to address this request by providing stakeholders with an assessment of each of the 44 comments captured from the series of forums, including additional discussion or context on the topic where necessary. Where applicable, details on how DPS and NYSERDA will seek to address the issue identified in the comment are provided.

With respect to the comments and input provided at the forums and the subsequent assessment provided in this report, the content spans the full spectrum of considerations for energy affordability and access to clean energy solutions for LMI residents and communities and some of these policy issues and specific topics are taken up in other venues.³ This report should be considered part of the record on the broader set of proceedings and activities that address

¹ In the 2018 State of the State, Governor Cuomo directed DPS and NYSERDA to develop an energy efficiency target for New York State and a suite of initiatives geared at scaling the adoption of energy efficiency across New York State. In April 2018, DPS and NYSERDA published *New Efficiency: New York*, which recommends a comprehensive mix of strategies to support the adoption of energy efficiency across all sectors to enable New York to meet an ambitious new target of 185 trillion Btus of end-use energy savings by 2025. Included in the proposal were initiatives intended to increase the scale of adoption of energy efficiency in the LMI market segment, including a proposal to allocate a minimum of 20% of any additional funding to LMI initiatives.

² *LMI Stakeholder Forums Summary Report*, Case 18-M-0084.

<http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={68534628-6A55-4F6C-BC0E-5FADD9C3909C}>

³ Proceedings including 14-M-0565, Energy Affordability for Low Income Utility Customers; 14-M-0094, Clean Energy Fund; 15-E-0751, Value of Distributed Energy Resources; and 15-M-0252, Utility Energy Efficiency Programs.

energy affordability and access to clean energy solutions and inform the work already being done in these areas.

2. Assessment of Stakeholder Input

The 44 specific stakeholder comments outlined in the *LMI Stakeholder Forums Summary Report* have been addressed by DPS and NYSERDA in this section. For each of the comments, DPS and NYSERDA provide additional context where necessary, considerations on the issue, and appropriate next steps for addressing the input received. Many of the areas of input are beyond the purview of the DPS and NYSERDA and will require coordination with or action from other parties, the assessments below identify the instances where additional coordination will be necessary to achieve the recommended course of action.

In addition, the Accelerated Energy Efficiency Order has required the utilities and NYSERDA to collaborate on the development of a statewide ratepayer-funded LMI portfolio, with a proposal due on March 31, 2019. In several instances, DPS and NYSERDA expect that the input received will be considered by the utilities and NYSERDA in the planning of this portfolio, as the timing of the work that NYSERDA and the utilities will be involved in is immediate. To provide stakeholders with more visibility into where each specific comment has relevance and highlight the potential paths where the input could be addressed, table 1 is provided at the end of this section.

- 1. While the New Efficiency: New York proposal recommends that a minimum of 20% of new ratepayer funds be allocated to LMI, additional funds are necessary to increase the number of LMI households adopting clean energy services. At least 40% of allocated funds should be directed to benefit low-to-moderate-income households.***

Discussion:

Energy affordability and access to clean energy solutions have been the primary policy objectives related to LMI residents and communities under the Reforming the Energy Vision (REV) initiative. At the core of ensuring access is providing LMI customers with the ability to reduce energy consumption and the associated energy burden. In the Accelerated EE Order, the Commission commented that a common theme from the discussions that took place with stakeholders in the LMI Stakeholder Forums was that “reducing energy burden should be viewed in a holistic manner” and the Commission acknowledged that “expanding the reach of LMI efficiency programs serves the additional purpose of moving the State to achieving its affordability goal.”⁴

⁴ Accelerated EE Order at p.52

In addition to the funding that is already allocated to the LMI market segment through the Clean Energy Fund (approximately \$70 million per year) and the utility energy efficiency programs and REV demonstration projects (approximately \$10 million per year), the utilities also fund \$260 million in utility bill discounts each year. Collectively, these investments are intended to treat energy affordability for LMI customers. Beyond funding that is directed exclusively to the LMI market segment, there are initiatives administered through the CEF and by the utilities that benefit LMI residents but are not captured directly.⁵

With respect to the allocation of additional funds to increase energy efficiency in the LMI market segment, the New Efficiency: New York proposal to dedicate at least 20% of incremental energy efficiency funding to LMI programs was based on the premise that LMI customers should continue to receive, proportionally, at least the same level of clean energy funding that is provided in the current portfolio of programs. In the Accelerated EE Order, the Commission found this to be reasonable and adopted its approach within the context of establishing incremental targets for utility energy efficiency programs and directing their obtainment in the most cost-effective manner. The Order also calls upon the utilities and NYSERDA to expand the reach of LMI efficiency programs and develop a collaborative statewide rate-payer supported LMI portfolio. This approach is expected to provide a more effective approach to serving the LMI sector.

Next steps:

DPS and NYSERDA will work to better account for all of the funding that is directed towards LMI customers and communities, to eliminate information bias and ensure that the agencies, utilities, and stakeholders are working from a common understanding. This effort will be conducted in 2019, with an estimated value of LMI investment across the ratepayer funded portfolio being identified by quarter 4 of this year. DPS and NYSERDA will communicate the results of this effort to the stakeholder network when complete.

As required by the Order, the utilities' March 31, 2019 filing will reflect a minimum of 20% of incremental funding dedicated to LMI programs. Further, this allocation percentage will occur over the 2019-2025 period; it need not be imposed on an annual basis, as ramping up programs will occur at different rates. The percentage of LMI spending need not be identical across all utilities, but the

⁵ NYSERDA funds the Community Energy Engagement Program, which has an explicit goal of serving as a resource for LMI residents, connecting them to resources and programs; workforce development and training initiatives that target priority populations, of which LMI residents qualify; Clean Heating and Cooling campaigns, which have funding earmarked for initiatives to increase adoption of heat pumps in the LMI space; incentives for rooftop solar through NY-Sun; and rebates for clean heating and cooling technologies that can be accessed by any customer. Offerings by the utilities such as rebates and discounts through online market places can also be accessed by LMI customers.

aggregate percentage of LMI spending must equal or exceed 20% of the incremental budgets, which will consider regional characteristics and needs that account for housing stock, climate, demographic and economic factors.

- 2. Increased funding to address health and safety and structural deficiencies in homes, in conjunction with energy upgrades, is necessary. In many cases, additional investment to address deficiencies can open the possibility of achieving energy efficiency potential that would not be possible.***

Discussion:

This issues of health, safety, and structural deficiencies illustrate the interdependence of energy and housing issues and highlight the need for better coordination of housing and energy programs. Improvements to the health and safety of residents is an important co-benefit of energy efficiency, however in some cases, the cost of remediating health and safety issues such as the presence of mold or asbestos can cost more than program budgets allows. Program administrators often have to balance the level of investment per project with the goals of saving energy and serving as many homes as possible, which limits the level of health and safety investment per unit. Many municipalities and housing agencies administer funds to assist in addressing structural deficiencies such as leaky roofs.

In 2019, NYSERDA is seeking to address the need for additional capital to address health and safety and structural deficiencies in homes by launching a healthy homes pilot with the NYS Department of Health that will measure and validate healthcare cost savings associated with healthy homes treatments (energy plus health interventions) that address asthma trigger reduction and household injury prevention and develop a framework that allows managed care organizations to fund healthy homes interventions as part of their value-based payment arrangements within the Medicaid Healthcare Delivery System.

NYSERDA is also exploring how to more effectively work with localities and housing agencies to identify opportunities to better align energy programs with housing rehabilitation programs to holistically treat homes in need.

Next steps:

NYSERDA expects to launch the healthy homes pilot in quarter 2 of 2019 and will work with housing agencies and localities to test approaches for coordinating housing and energy funds. Further, NYSERDA and the utilities should consider how to address health and safety in the planning for the integrated LMI portfolio.

3. *Utility bill discounts should be leveraged to promote energy efficiency. While bill discounts will reduce household energy burden, the relief is temporary. Focusing these resources towards energy efficiency will provide longer term affordability impacts for low-income customers and reduce costs to ratepayers over the long term.*

Discussion:

The Affordability Order (Case 14-M-0565) enacted a bill discount program designed to reduce consumer energy burden to a maximum of 6% of income. Consistent with the Commission's directive in the Order, to treat energy burden in a holistic manner, energy efficiency should be part of the solution for achieving the goals of the Affordability policy. The development and implementation of program options to increase LMI customers' energy efficiency will provide opportunities to derive lasting cost saving benefits in a sustainable manner, while also delivering additional benefits to residents such as increased health, safety, and comfort in the home. Improved energy affordability for these customers over a longer-term period may also provide a synergistic benefit of reducing uncollectible amounts, which benefits the rates of all customers.

The Commission recently took steps to allow customers receiving utility bill discounts to pledge a portion of the discount towards community solar programs. Unlike community solar subscriptions, energy efficiency improvements may cost more than the monthly value of the utility bill discount in some cases, so consideration for how to best leverage the bill discount program for energy efficiency will be necessary. In addition, any consideration for leveraging utility bill discounts for energy efficiency will, at a minimum, need to ensure that the 6% energy burden threshold for low-income utility customers is achieved. Furthermore, any change to the Affordability policy will require Commission action.

Next steps:

DPS Staff, NYSERDA and utilities will evaluate options for leveraging the bill discount program to increase access to energy efficiency and treat energy burden in a more holistic manner. Based on evaluation of the current bill discount program and options for leveraging, DPS, NYSERDA and the utilities will work together in the development of a proposal for Commission consideration in quarter 4 of 2019.

- 4. Benefit/cost analysis for LMI programs should be more lenient and/or include non-energy benefits to capture the full value of the benefits derived from the investment.***

Discussion:

The Accelerated EE Order allows for the BCA analysis for LMI programs to be separated from other program BCAs and not count towards each utility's aggregate portfolio BCA. Instead the BCA and cost reductions from the statewide ratepayer-supported LMI portfolio, including both NYSERDA and all utilities, will be reviewed collectively. This will encourage innovation both in the LMI programs and within the rest of the utility's portfolio. While substantial cost reductions should be achievable through a cooperative administrative approach, the Commission has stated LMI program BCAs need not score 1.0 or higher to satisfy the BCA criterion. This takes into account the relatively high implementation costs and customer incentive levels of LMI programs.

Next steps:

The utilities' March 31, 2019 filing and subsequent statewide (utilities and NYSERDA) ratepayer-supported LMI Implementation Plan will implement this policy.

- 5. Program design should consider and address regional differences in housing stock, climate, and demographics across the state.***

Discussion:

With New York State's aggressive environmental and energy goals, it is necessary that programs deliver the intended results in all parts of the state. Previous program experience has demonstrated that regional differences including but not limited to housing stock, demographics, local ordinances, and climate can affect how residents and building owners are able to engage with programs and benefit from them. In the Accelerated EE Order, the Commission acknowledged the importance of regional characteristics in program design, directing NYSERDA and the utilities to consider regional characteristics in design the integrated ratepayer-funded LMI portfolio.

Next steps:

As part of the development of the integrated ratepayer funded LMI portfolio, NYSERDA and the utilities will explore how program design and implementation could be modified to better account for regional differences. Such considerations should be reflected in the statewide ratepayer-funded LMI portfolio proposal, to be filed March 31, 2019 and the subsequent implementation plan.

6. *Reduction in energy waste and reducing energy burdens should be the primary goals of LMI clean energy initiatives.*

Discussion:

As a matter of principle, clean energy initiatives targeting LMI households should strive to reduce energy cost burden for the household and make the most efficient use of the energy consumed by the household. As discussed in the assessment of comment 1, above, energy affordability and reducing energy consumption is at the core of many of the LMI initiatives funded by NYSERDA and the utilities.

Next steps:

Considerations for reducing energy burden and waste should be reflected in the initiatives administered by NYSERDA and the utilities and energy burden reduction should be a primary objective of the approach developed for the statewide ratepayer-funded LMI portfolio proposal, to be filed March 31, 2019, as well as the subsequent implementation plan.

7. *An integrated approach for administering bill payment assistance, energy efficiency, and solar program is necessary. While energy efficiency should be the priority, bill payment assistance and solar should be viewed as complementary. For some residents, such as renters, bill payment assistance and access to community solar may be the only option to reduce energy bills where the landlord is not willing to undertake energy efficiency improvements.*

Discussion:

As outlined by the Commission in the Order, it is necessary for energy burden to be addressed in a holistic manner. Bill payment assistance was designed and is available for those qualified customers in need. Customers participating in energy efficiency at some point, may by participating in energy efficiency projects, no longer need assistance from the bill payment program. Therefore, it is important to view the bill payment assistance program and solar as complementary to energy efficiency in particular for homeowners where opportunity for solar is limited or renters, where landlords do not want to engage in energy efficiency projects.

In July 2018, the PSC approved the Bill Discount Pledge Program⁶ that would allow customers to use a portion of their bill discount to pay for a community solar subscription. By providing low-income customers with the opportunity to

⁶ Order Adopting Low-Income Community Distributed Generation Initiatives (Issued and Effective July 12, 2018)

use their bill discount to access a community solar subscription, the customer is being provided with the ability to decide how best to meet their energy needs.

Next steps:

As part of the development of the statewide ratepayer-funded LMI portfolio, NYSERDA and the utilities will explore and propose an approach to utilize energy efficiency, bill discounts, renewable energy in a more holistic manner to achieve energy burden reductions. The March 31, 2019 filing and subsequent implementation plans should provide some detail on how this might be achieved.

- 8. *Ratepayer-funded programs should address multifamily buildings in a comprehensive manner by focusing on both central system improvements as well as envelope and in-unit upgrades.***

Discussion:

In the current ratepayer funded LMI portfolio, both utilities and NYSERDA offer programs targeting affordable multifamily buildings. While not every utility provides a multifamily program and the offerings vary by utility, the current programs provide incentives for HVAC, lighting, shell measures, and in-unit upgrades. Historically, programs such as the Multifamily Performance Program (MPP), administered by NYSERDA, have taken a comprehensive approach to building energy efficiency and provides incentives based on the level of energy savings that the project achieves. This approach encourages whole building improvements because it is typically not possible for buildings to achieve the minimal level of energy savings that the program requires without taking a comprehensive approach.

Next steps:

While developing the statewide ratepayer-funded LMI portfolio, the utilities and NYSERDA should consider opportunities for enhancing the current set of interventions targeting the affordable multifamily market segment. The March 31, 2019 proposal should reflect how NYSERDA and the utilities will serve the affordable multifamily market segment in a more holistic way.

- 9. *Environmental Justice considerations and input from community members most affected by impacts of energy poverty and environmental hazards should be included in program design and implementation.***

Discussion:

DPS and NYSERDA believe that effective program design and implementation should factor the needs of residents, while balancing the need to achieve

intended outcomes and administer programs in a way that is respectful of the limited ratepayer funds and cost implications for all ratepayers.

In accordance with the direction from Governor Cuomo in the 2019 State of the State that would give environmental justice and underserved communities a seat at the table in planning for the Green New Deal by codifying the Environmental Justice and Just Transition Working Group (EJ and JT Working Group), NYSERDA and DPS expect to work more closely with community representatives to advance New York State's environmental and energy goals.

Beyond the EJ and JT Working Group, DPS and NYSERDA recognize the limited opportunities that exist to discuss programs and proposals for improving programs and policies. In quarter 3 of 2019, NYSERDA and DPS will launch an advisory group that will consist of key stakeholders representing the various considerations in the LMI landscape to inform program and policy development and ensure that considerations on all priorities are factored into program and policy decisions. Beyond this, the advisory group will be responsible for obtaining input from residents to inform the LMI clean energy portfolio. More detail on the initial thinking on the advisory group is provided in the discussion on comment 26, below.

Next steps:

DPS and NYSERDA will work with stakeholder groups in the scoping for and development of the advisory council and will make details publicly available once it is developed.

10. As a measure of climate adaptation, resilience and sustainability should be factored into LMI program design. While considerations for resilience might vary by geography and climate, focusing early attention on multifamily buildings and assisted living facilities in areas of the state that are prone to flooding is recommended.

Discussion:

As New York State's response to climate change continues to evolve, resiliency for low-to moderate income New Yorkers and affordable housing will be a priority. Building energy performance, HVAC placement, and on-site generation and storage can all factor into how buildings can withstand severe weather, floods, and power outages.

Next steps:

In 2019, NYSERDA will be exploring options for developing and deploying a package of on-site generation and storage, including conducting market research to better quantify the value of resiliency for affordable building owners to help build the value proposition.

11. NYSERDA and the utilities should include direct install or other light-touch measures in order to expand the reach of energy efficiency programs to residential properties that may face barriers to comprehensive energy efficiency retrofits.

Discussion:

Direct install approaches are not new to New York's residential energy efficiency mix. Direct install is currently offered as part of the EmPower New York program where the house may not be able to undertake comprehensive energy efficiency improvements due to structural deficiencies in the home or where the occupant is a renter and cannot obtain landlord approval for more comprehensive energy efficiency work. Direct install or other light-touch measures also present opportunities to expand the reach of programs. In some instances, there are renters with landlords who may not want to fully undertake energy efficiency retrofits. In other instances, there may be landlords in multifamily buildings, after experiencing direct install with their tenants, may then choose to participate in comprehensive energy efficiency retrofits. Both are good reasons to include direct install or other light-touch measures in a portfolio of energy efficiency programs.

Next steps:

In the Order the PSC identified direct install as a component to be considered in the integrated LMI portfolio. NYSERDA and the utilities will work together in the development of the LMI portfolio to include a direct install approach. The March 31, 2019 filing and subsequent implementation plan should provide detail how direct install approaches will be incorporated into the LMI portfolio.

12. NYSERDA or the utilities should consider aggregation of LMI energy efficiency projects to reduce the cost of administration.

Discussion:

Aggregating LMI energy efficiency work is one possible way of reducing administrative and project costs. NYSERDA has been working with three utilities planning community blitz events whereby those attending the event needing weatherization, will be aggregated and the energy efficiency services and measures provided will be served by one contractor.

Next steps:

An aggregation approach will be tested as part of the 2019 Community Blitz pilot. Evaluation will follow to determine if administrative costs by aggregating customer were reduced. Based on the evaluation, NYSERDA and the utilities

should consider whether this approach should be included in the integrated portfolio.

13. Solar (rooftop and community) should be integrated with an energy efficiency offering to increase impact for low-income residents.

Discussion:

The of integration of solar (community or rooftop) and energy efficiency offerings can result in greater benefits for customers as opposed to solar or energy efficiency on its own. Reducing electric load through EE will help the household to reduce the size of PV system or subscription needed by the household and the combination of both energy efficiency and solar generation can help reduce energy burdens for lower-income customers.

As outlined in the 2019 State of the State, Governor Cuomo proposed the expansion of the Solar for All program and to couple it with other energy savings opportunities.

Next steps:

NYSERDA will work on developing models for effectively integrating solar (either community or rooftop) and energy efficiency for LMI customers and affordable building owners through the CEF during 2019.

14. Windows should be allowed as an eligible measure in energy efficiency programs for mobile homes. Replacement windows can significantly reduce thermal loss based on poor performance of older mobile home windows.

Discussion:

Mobile homes sometimes have louvre windows or leaky single pane windows. Replacing windows in manufactured homes may reduce a customer's energy burden and improve comfort in their home however it may not be the most cost-effective way of assisting the customer, insulation, air sealing, and distribution system improvements may provide greater energy efficiency benefit.

LMI customers interested in making their manufactured home more energy efficient currently start with an energy audit to determine the most cost-effective services and measures recommended for their individual unit. Those services may include cleaning and tuning or replacing the current heating system, repairing and sealing ducts, insulation and sealing the shell. The energy audit guides decisions on what is the most cost-effective services and measures for their home.

Next steps:

NYSERDA is considering this feedback and is evaluating the replacement of windows in mobile homes. Following the evaluation, NYSERDA will issue program guidance for mobile home window replacement through the NYSERDA-administered LMI residential programs- EmPower NY and Assisted Home Performance with ENERGY STAR. Program guidance will be released before quarter 3 of 2019.

15. Electrification for LMI residents should be a priority, paired with energy efficiency. Heat pump adoption in the LMI market segment should begin with the conversion of electric resistance heat to heat pumps.

Discussion:

Broad adoption of beneficial electrification will be an essential component of meeting New York's ambitious energy and climate goals, as signaled by the PSC in the Order. Solutions for increasing the adoption of heat pump technology in the LMI market segment will be critical. Considerations and approach for deploying heat pumps will vary based on application, for instance heat pumps in affordable multifamily buildings will require considerations that may be different than when installing heat pumps in a single-family home. Existing HVAC configuration, displaced fuel, impact on customer utility bills, and occupant/building operator education are all necessary to ensure effective and cost-effective deployment of heat pumps in this sector. In all cases, it is recommended to consider the energy efficiency of the home, in particular the envelope to ensure that the heat pump is as efficient and cost-effective as it can be.

In addition to requiring NYSERDA and the utilities to collaborate on the development of statewide ratepayer-funded LMI portfolio, the Accelerating EE Order also required the utilities and NYSERDA to work cooperatively on the development of a statewide heat pump proposal, due March 31, 2019. Consideration for enabling the adoption of heat pumps in the LMI market segment will occur across both of these workstreams.

Next steps:

NYSERDA and the utilities will coordinate on deployment options for heat pumps in the LMI market segment through the work directed by the Commission in the Accelerating EE Order. Consideration for supporting the adoption of heat pump technology in the LMI market segment should be addressed in the March 31st proposal and any subsequent implementation plans.

In 2019, NYSERDA will fund demonstration projects focused on heat pump applications in affordable multifamily buildings and in mobile home parks. In addition, NYSERDA is exploring options for inclusion of heat pumps in its existing LMI residential energy efficiency programs.

16. NYSERDA and the utilities should consider how to provide some level of assistance to households that are just over the income thresholds to qualify for program subsidy.

Discussion:

Customers whose income is just above the income guidelines for low-income programs fall into the moderate-income category. They too have challenges in meeting their daily expenses including their energy burden and may not have sufficient resources for a substantial cost contribution for EE work.

Customer who are slightly over income for EmPower, may want to participate in energy efficiency and services but do not have the financial resources to participate in Assisted Home Performance with ENERGY STAR. One way to address this would be for NYSERDA to offering energy efficiency incentives based on a sliding income scale.

Next steps:

NYSERDA and the utilities should consider how a graduated incentive scheme can be incorporated into LMI programs, with any details to be included in the March 31, 2019 proposal and subsequent implementation plan.

17. Third party ownership of clean energy assets, such as geothermal loop fields, could help address cost barriers for LMI residents and lead to adoption of clean energy solutions. NYSERDA should explore this opportunity for the LMI market segment.

Discussion:

The utilities and NYSERDA are exploring alternative ownership models for geothermal systems that can increase the viability of heat pumps for a larger market. National Grid and NYSERDA are currently conducting analysis of the viability of utility ownership of geothermal loop fields focusing on LMI.

Next steps:

Strategies to provide clean heating and cooling to the LMI market, including electrification, will be addressed in the March 31 utility filings and subsequent implementation plan. NYSERDA and the utilities will seek to advance alternate ownership models for geothermal systems as they are developed.

18. LIPA customers do not pay into the Clean Energy Fund and are not eligible to participate in most CEF programs. The state should identify opportunities for replicating the programs available for the rest of the state on Long Island.

Discussion:

Pursuant to the January 2016 Clean Energy Fund (CEF)⁷ Order, the Public Service Commission (PSC) authorized a ten-year commitment of approximately \$5.3 billion to clean energy programs, through 2025. These programs are primarily funded by the Systems Benefit Charge (SBC) to which Long Island customers do not contribute. Prior to the CEF Order, NYSERDA proposed to extend all programs statewide, including to the New York Power Authority (NYPA) and customers of the Long Island Power Authority (LIPA), however the Commission rejected this proposal, stating that NYPA and LIPA already offered efficiency programs. Efficiency programs on Long Island are funded through a Distributed Energy Resources (DER) rider included in LIPA's rates and Regional Greenhouse Gas Initiative (RGGI) grant funding provided by NYSERDA. The programs are administered on Long Island by PSEG LI. They include incentives towards energy efficiency products such as central air conditioners, home energy audits, residential and commercial building retrofitting, and low-income customer incentives. The total annual budget for these programs for each of the last three years has been approximately \$87 million.

In the CEF Order, the PSC expressed support for "NYSERDA's stated intentions to collaborate with NYPA and LIPA to advance CEF-type initiatives to their respective customer bases."⁸ To this end, and to support the overall goals of the State Energy Plan and REV, NYSERDA and LIPA entered into a Memorandum of Understanding through which NYSERDA works with LIPA on program design, and NYSERDA provides LIPA with RGGI funding, if available, towards program implementation.

Under the LIPA Reform Act, DPS is empowered to review and make recommendations to the LIPA Board of Trustees with respect to rate charges, including charges related to energy efficiency and renewable energy programs.⁹ DPS works with LIPA to ensure that the Long Island region remains in alignment with the rest of the state to achieve REV goals.

⁷ Order Authorizing the Clean Energy Fund Framework (Issued and Effective) January 21, 2016.

⁸ Ibid, P. 62.

⁹ Public Service Law §§3-(b)(3)(a) and (g).

In addition to the LIPA programs on Long Island, National Grid administers a low-income energy efficiency program in their KEDLI territory and coordinates with LIPA programs where possible. Consideration regarding programs on Long Island should include National Grid as well.

Next steps:

DPS will work with LIPA and National Grid, with technical support from NYSERDA, to ensure the Long Island region has comparable and effective programs serving LMI customers. LIPA's annual Utility 2.0 filing is one opportunity for this alignment to occur.

- 19. A single point of entry or streamlined program application process is required to reduce administrative burden placed on applicants and can facilitate the auto referral of applicants into other relevant programs. The state should begin the streamlining by creating a single program platform for LMI clean energy initiatives.***

Discussion:

Improved program coordination has been a priority of DPS and NYSERDA, with the formation of the low-income energy task force, which is charged with identifying opportunities to increase the effectiveness of the low-income energy programs administered by New York State. The task force is comprised of representatives from DPS, NYSERDA, OTDA, and HCR. In addition, through the Order, the Commission directed the utilities and NYSERDA, in the development of the integrated LMI portfolio, to develop a single program platform, which will result in a streamlined application process for the ratepayer funded programs. Beyond the ratepayer funded programs, further streamlining will require action by other agencies and NYSERDA and DPS will work with them on this.

Next steps:

As outlined in the 2019 State of the State, Governor Cuomo is directing the low-income energy task force to develop and deliver a roadmap for improving the effectiveness of low-income programs. NYSERDA and DPS will work with the agencies in the low-income energy task force to continue to improve the coordination between programs serving lower-income residents and communities.

- 20. State agencies and utilities should develop a protocol for sharing data relevant to customer participation in programs to facilitate a streamlined application process and auto referral.***

Discussion:

Many income-eligible residents apply for multiple programs administered by state agencies or utilities. The time requirements and administrative burden for both the applicant and the program administrators can be significantly reduced if data sharing between programs was possible. While considerations such as customer consent to share data; protection of personal, protected, and sensitive information; and data systems will be important to address, NYSERDA and DPS staff agree that steps should be taken to improve the level of data sharing between state agencies and utilities.

The sharing of customer data will be central to the development of the integrated LMI portfolio that NYSERDA and the utilities have been charged with and NYSERDA and DPS expect that a solution for data sharing related to ratepayer funded LMI programs will be developed and implemented in this process. Beyond the ratepayer-funded programs, NYSERDA and DPS expect to work with other state agencies such as the NYS Office of Temporary and Disability Assistance (OTDA) and NYS Homes and Community Renewal (HCR) to advance data sharing relevant to the programs administered by these agencies through the low-income energy task force, which was tasked by Governor Cuomo to develop a roadmap for better aligning state programs in the 2019 State of the State.

Next steps:

NYSERDA and the utilities will develop an approach to streamline application processes as part of the planning for the statewide ratepayer-funded LMI portfolio, which will launch in 2020, the March 31, 2019 filing shall include details on this.

NYSERDA and DPS will work with the other state agencies as part of the low-income energy task force to address data sharing between agencies and programs as part of the roadmap that was directed by Gov. Cuomo in the 2019 State of the State.

21. Income documentation and application processes should be better aligned for programs.

Discussion:

The alignment of income documentation and application processes can reduce administrative cost for program administrators, simplify the application process for customers, and reduce the timeline for program acceptance. This would also enable customers qualifying for one income eligible program to be automatically made aware of other programs for which they are qualified. However, as outlined in the response to comment #20, there are barriers to data sharing that have traditionally presented challenges for aligning application processes.

With respect to ratepayer funded programs, the Commission directed the utilities and NYSERDA to develop a single program platform in the Order, which will result in alignment of application and income documentation processes for the ratepayer funded programs. Beyond the ratepayer funded programs, further streamlining will require action by other agencies and NYSERDA and DPS will work with them on this.

Next steps:

In the planning for the statewide ratepayer-funded LMI portfolio, NYSERDA and the utilities will develop an approach to align income documentation and application processes, including referral of customers for the ratepayer funded programs.

NYSERDA and DPS will work with other state agencies through the low-income energy task force to align ratepayer funded programs with other state programs.

22. The state should work with municipalities to facilitate more efficient coordination of local housing funds and other resources with clean energy funds to comprehensively treat residential properties.

Discussion:

Nearly \$400 million in HUD funding is allocated to municipalities across the state each year. Each municipality develops funding plans and administers the funds in a different way. NYSERDA has begun to explore opportunities to better coordinate energy and housing funds at the local level. NYSERDA also funds the Clean Energy Engagement Program, which funds Community Energy Advisors to serve as a resource to connect residents and small business with funding opportunities. In addition to direct leveraging that can be done between NYSERDA and municipalities, NYSERDA expects that the CEAs will also be able to connect homeowners in need to housing resources.

Next steps:

Based on the research that NYSERDA is conducting on housing funds at the local level, NYSERDA will seek to pilot a workflow to enable more effective coordination of energy funds with local housing funds in quarter 3 of 2019.

23. A referral and packaging entity is an effective coordination model, however the state currently does not fund this type of program. NYSERDA should work with other state agencies to identify options for funding this service.

Discussion:

Referral and packaging models are intended to reduce the application process and simplify access to services to residents, while providing the ability to identify wrap around services that might further benefit the resident. With respect to energy efficiency and energy affordability, a referral and packaging approach can improve access to energy efficiency programs and identify resources to address structural deficiencies that would otherwise prevent energy efficiency improvements from taking place.¹⁰ Currently, NYSERDA funds Community Energy Advisors through the Community Energy Engagement Program, to serve as a resource to residents and small businesses by connecting them with available programs and services. In some counties, human service providers such as the local Office for the Aging, have staff that seek to refer clients and identify resources for them; however, resource constraints and case management obligations at local offices can limit the amount of time that can be spent on connecting clients to other resources.

Next steps:

NYSERDA and DPS will work with the other state agencies through the low-income energy task force to continue to improve the referral process between programs to reduce customer burden. NYSERDA will also work through the Community Energy Advisors to build on the work that is currently being done at the local level by continuing to make connections with human service and housing providers at the local level to increase the likelihood of cross referral between programs.

24. Interagency coordination and coordination between agencies and stakeholders is critical to addressing challenging issues. The Governor has created an Environmental Justice and Just Transition working group and DPS staff should participate in those conversations.

Discussion:

As discussed throughout this report, coordination between stakeholders and state agencies across multiple disciplines is necessary to address the full extent of barriers to improving energy affordability and access to clean energy solutions for LMI residents and communities. In the Accelerated EE Order, the Commission recognized the need for, and benefit of greater coordination between programs and entities serving the LMI sector and the Commission's directive to develop a coordinated statewide ratepayer supported LMI portfolio and detailing the role NYSERDA can play in coordinating with other state agencies, programs and advocate/trade associations will support improvements in this area.

In addition, the Governor's 2019 State of the State included a directive to the low-income energy task force, comprised of NYSERDA, DPS, HCR, and OTDA to

¹⁰ Issues in the home such as a leaky roof, foundation problems, and knob and tube wiring need to be remediated before insulation and air sealing can take place.

develop a roadmap for improving the effectiveness of the low-income energy programs, such as HEAP, WAP, and the ratepayer funded programs.

Next steps:

The DPS will assign a representative to the Governor's Environmental Justice and Just Transition Working Group to engage in the planning process for the implementation of Governor Cuomo's Green New Deal with stakeholders and other state agencies.

DPS and NYSERDA will work with HCR and OTDA through the low-income energy task force to develop a roadmap for improving the effectiveness of existing program and will develop an approach to bring external perspectives into the considerations.

25. Public comment processes need to accommodate community-level engagement and be more accessible to residents that may not be well versed on topics to still provide input for consideration.

Discussion:

Public input processes, both formal and informal, should include consideration for obtaining input from across the spectrum of relevant stakeholders, including those that are not typically engaged in regulatory and program planning work. As a general principle public comment processes should include easily-accessible locations in both urban and rural parts of the state and be conducted at times that accommodate a variety of schedules, while recognizing the need to maintain an orderly and timely procedural schedule.

DPS and NYSERDA generally look to the advocacy organizations that represent communities and sectors, to provide the perspectives of individual consumers, communities, and companies because, as the discussion at the Forums pointed out, it can be difficult for individuals that are not versed in energy policy or the electric grid to understand how specific policies might affect them.

Efforts to engage community members should be improved, however NYSERDA and DPS will continue to rely on advocacy organizations as a primary source to understand the needs and issues specific to their constituency. As highlighted in the discussion on comment 9 above, DPS and NYSERDA will be developing an advisory group that will be expected to identify mechanisms for obtaining input from community members. More detail on the advisory group is provided in the discussion on comment 26, below.

In addition, NYSERDA and DPS have received positive feedback on the round of LMI Stakeholder Forums and the ability for community members to engage in

that setting. NYSERDA and DPS will work with stakeholders to explore options for replicating the forums on regular basis.

Next steps:

DPS and NYSERDA will work with stakeholder groups in the scoping for and development of the advisory council and will make details publicly available once it is developed.

DPS and NYSERDA will also engage with the community partners that helped to develop the LMI Stakeholder Forum series to explore options for replicating the forums to allow for more community-level engagement.

26. State agencies should provide transparency into the decision-making process. Typically, stakeholders are not made aware of whether or how their input is used. Where input is not incorporated, agencies should provide rationale.

Discussion:

DPS and NYSERDA recognize that stakeholders can spend meaningful amount of time participating in proceedings and developing comments and that in some cases there isn't an opportunity for stakeholders to discuss their perspectives and proposals in a forum that is conducive to working through problems. To address the issue of process fatigue and to create a venue where issues and ideas can be worked through and vetted against the multiple policy and programmatic objectives and considerations, DPS and NYSERDA will convene an advisory group that will meet on a quarterly basis.

The advisory group will provide a setting for the weighing of program and policy considerations across the energy nexus for existing and potentially new initiatives to deliver the greatest impact for LMI households. The group will work together to assess opportunities for improving existing initiatives and will work together to vet proposed initiatives and policy. While developing consensus among the group will not be required, the group will be expected to develop a common understanding of the benefits and potential tradeoffs of proposals before such proposals can be formally considered by DPS and NYSERDA. It is expected that the advisory group will also provide ongoing input on the statewide ratepayer-funded LMI portfolio of programs as implementation is rolled out.

The group will be convened by staff of NYSERDA and will be comprised of representatives of community-based organizations, advocates, consumer protection, social services, installers, developers, affordable housing organizations, and relevant state agencies. The group will also be responsible for facilitating input from end-users and community members to inform program and policy decisions.

Next steps:

DPS and NYSERDA will develop the scope and structure of the advisory group by July 2019 and will announce plans for the first convening in August 2019. DPS and NYSERDA staff will work with stakeholders and the Environmental Justice and Just Transition Working Group for recommendations on sector representatives to include in the advisory group.

27. Program administrators should design solutions to energy affordability and access to clean energy solutions in collaboration with residents and communities that the initiatives will seek to serve.

Discussion:

Customers, those who will be benefiting from energy affordability solutions, should have a voice in what solutions best suite them as individuals and their community. The series of forums served as a way for advocates, representing clients from their communities, to share their ideas on the needs of specific communities. Around the state, advocates attended the forums and shared their concerns and suggestions.

Next steps:

The LMI Forums served as a way to collect input from advocates. NYSERDA and DPS staff had the opportunity to hear first-hand, ideas on ways to best help with LMI customers. Going forward, NYSERDA and DPS will work with stakeholders to develop an approach for getting more input from communities by leveraging touchpoints with community-based and advocacy organizations. The low-income task force and external input will be of value in identifying options for getting more end-user feedback/input.

28. Workforce development and training should result in jobs and increased career opportunities.

Discussion:

The *2018 New York Clean Energy Industry Report*¹¹ noted that, there were over 151,000 green jobs in New York State and the clean energy economy continues to see stronger job growth than the State's economy overall. Clean energy employment grew by 3.9% from 2016 to 2017 while over New York State employment grew 1.7% in that time. Over 8,000 jobs were expected to be available in 2018. A vibrant well-trained workforce is needed in order to meet the

¹¹ 2018 New York Clean Energy Industry Report
<https://www.nyserdera.ny.gov/About/Publications/New%20York%20Clean%20Energy%20Industry%20Report>

state's energy efficiency goals. There are opportunities in this expanding workforce for LMI and disadvantaged residents.

NYSERDA's CEF is investing in a range of workforce development activities to build necessary skills, create economic opportunities for disadvantaged individuals, and grow the capacity for the clean energy workforce in New York.¹² These programs will train 30,000 people to work in the clean energy sectors. Notably, these programs target the needs of priority populations including low-income individuals, veterans, individuals from environmental justice communities, Native Americans, and individuals with disabilities. Workforce training and development initiatives include on-the-job training, internships, and partners with other training institutions including labor groups and unions.

Next steps:

NYSERDA will continue to prioritize workforce training and development opportunities to residents that face barriers to accessing training and job opportunities.

29. Contractor network development is necessary in rural areas, people want to hire local contractors to do work and need trained and qualified local contractors.

Discussion:

To achieve the ambitious goal of reducing energy consumption in New York State by 185 trillion Btus by 2025, as outlined in the New Efficiency: New York proposal and supported by the Accelerating EE Order, a robust and active energy efficiency contracting network is required. NYSERDA currently delivers residential energy efficiency initiatives through a network of greater than 200 contractors across the state, however there are parts of the state where there are fewer active contractors than in other parts of the state. As NYSERDA and the utilities continue to work on increasing demand for energy efficiency, NYSERDA will continue to work to increase the number of contractors that can deliver energy efficiency solutions.

Next steps:

In 2019, NYSERDA will work with energy efficiency stakeholders and industry partners to continue to increase demand for residential energy efficiency and identify opportunities to grow the energy efficiency contractor network and

¹² Initiatives funded under PON 3981, Energy Efficiency and Clean Technology Training, to train workers for clean energy jobs must include job preparation and placement assistance. On-the-job training funded through PON 3982 is designed to support clean energy companies that are ready to hire new workers. NYSERDA funding offsets 50% of the wages for the new hire for 4 months, if the new hire is from a priority population, the wage support is for 6 months.

increase contractor capacity, in particular in rural and other underserved parts of the state.

30. *NYSERDA should promote building science training across trades. In the course of their work, electricians, plumbers, and other tradespeople can influence the energy performance of homes.*

Discussion:

The work of electricians, plumbers, and other trades can often take place inside cavities or the envelope of a home and can also include the recommendation or installation of appliances such as hot water heaters and lighting. During the course of their work, these contractors can inadvertently disturb insulation and air sealing, rendering it less effective. In other cases, these contractors have the opportunity to influence the purchase of a homeowner towards a more energy efficient appliance.

Next steps:

As part of its efforts to support and further develop the energy efficiency contracting network, NYSERDA will also work with industry partners to engage other trades to increase knowledge of energy efficiency principles and identify opportunities to expand their skill sets to include energy efficiency, where applicable.

31. *NYSERDA should develop a program to incorporate energy education for students in middle and high school through Science, Technology, Engineering, and Math (STEM) education.*

Discussion:

Instilling energy education and STEM in schools will help to build the pipeline of clean energy professionals that will be necessary to meet the needs of the growing clean energy economy of New York State well into the future.

In New York State, the Education Department (NYSED) administers the New York State Pathways in Technology (NYS P-TECH) program, which is a public-private partnership that will prepare thousands of New York grade 9-12 students for high-skills jobs of the future in technology, manufacturing, healthcare and finance. The initiative is administered by NYSED through competitive grants from partnerships of school districts, higher education institutions, and business.

Through NYSERDA's Energy Efficiency and Clean Technology Training initiative, programs that support relevant technical high school training programs or Youth Corps initiatives are eligible for funding.

Next steps:

NYSERDA will explore opportunities to leverage the work being done through the NYS P-TECH program to increase access to STEM education in support of the growing clean energy economy.

- 32. Energy costs are typically considered to be part of overall housing costs. Where heat is included in rent, the tenant does not have a separate heating bill and these costs are often overlooked by programs that provide bill payment assistance even though the cost for heating is being passed through to the tenant as a component of the rent. As such, shelter burden needs to be considered a priority, along with energy burden.***

Discussion:

NYSERDA and DPS agree that energy costs for tenants that do not pay directly for energy, are still borne by tenants in the form of rent. This was the primary consideration by the Commission when approving affordable multifamily energy efficiency programs in the beginning of the SBC. While the incentives go to the building owner, the intention is that by reducing overall energy consumption for the building and operating costs for the building owner, the programs would enable the preservation of affordable rents.

It is difficult to make a direct correlation to building energy consumption, operating costs, and tenant rent that would apply to all housing configurations, and in some cases, housing policies subsidize or otherwise influence the rent level. However, for NYSERDA programs there are requirements that prevent property owners from increasing rents in association with any work that is incentivized through the programs. Beyond these program rules, NYSERDA and DPS agree that additional consideration should go into policy and program development to ensure that to the extent possible, all measures are taken to ensure that investments in clean energy solutions can result in more stable rents.

Next steps:

The concept of shelter burden as it relates to ratepayer funded energy initiatives will be further explored by NYSERDA with the low-income energy task force and stakeholders to determine whether programs can accurately assess shelter burden and develop program considerations for shelter burden.

- 33. NYSERDA, utility, and housing agencies should develop a process to prevent affordable property owners from increasing rents solely as a result of carrying out energy efficiency improvements that are incentivized with government or utility funds.***

Discussion:

The current rent regulation law provides regulated affordable housing owners to recover the cost of major capital improvements (MCI) through rent increases, and in some cases clean energy technologies can be included as a capital improvement. In some cases, the rent increase is in addition to any operational cost savings achieved through the clean energy improvement, and program incentives.

In the 2019 State of the State, as part of his Justice Agenda, Governor Cuomo highlighted affordable housing as a priority, including the reform of regulations and limiting capital improvement charges to protect affordable housing and respect tenants' rights. In New York State, the HCR Office of Rent Administration oversees the administration of the rent law. While changes to the rent law would need to happen through the legislature, and changes to the administration of the rent law will require action by HCR, there may be opportunities for NYSERDA and utilities to work with HCR on data sharing to identify when buildings receive clean energy incentives so that HCR can consider this added capital when reviewing MCI waiver requests.

Next steps:

NYSERDA and DPS will work with HCR through the low-income energy task force on this and other stakeholders on opportunities for program design to address the potential for clean energy improvements to lead to rent increases.

34. NYSERDA should work with HCR to ensure that affordable housing receiving state subsidy are as energy efficient as possible.

Discussion:

Affordable housing often operates on tight margins, making it difficult to make energy efficiency improvements, making the new construction, rehab, and finance moments crucial for ensuring energy efficiency. HCR requires that all financed housing meet the green building guidelines, which set minimum performance standards. Building to higher levels of energy performance presents challenges to developers, who often balance the incremental cost of higher performance construction or rehab with the volume of affordable housing units they are able to reach. There is not a single approach to address this challenge, however technical assistance to encourage integrated building design, resources to support capital planning and other predevelopment needs, and targeted incentives will help to address the problem.

As outlined, by Governor Cuomo in the Justice Agenda (maybe SOTS) and by the PSC in the Accelerated EE Order, affordable housing is a priority for the state and

the ratepayer funded portfolio. The Order stated “because more than 40% of New York’s LMI households are in building exceeding five units, and 20% of live in buildings exceeding 50 units, continued and potentially expanded emphasis on multifamily affordable housing is needed. NYSERDA and the utilities will be expected to address affordable multifamily in a more profound way, and in the Order, the Commission suggested that in the proposal for the integrated LMI portfolio, that the utilities and NYSERDA consider allocating a minimum of 40% of the LMI funds to affordable multifamily buildings.

Next steps:

NYSERDA will work with HCR and other stakeholders in the affordable housing space to continue to address predevelopment costs and barriers and seek to develop incentives that will be effective at increasing the building performance of affordable new construction and rehab projects.

Further, NYSERDA and the utilities will consider and implement approaches for affordable housing in the integrated LMI portfolio, to be launched in 2020.

35. Energy efficiency program funds should target Section 8 housing, as a way to improve the efficiency of rental units that may not otherwise treated with efficiency upgrades.

Discussion:

Section 8 housing is overseen by the U.S. Department of Housing and Urban Development (HUD). In 2016, HUD issued a proposal requiring energy benchmarking for portions of its multifamily portfolio including Section 8 with an objective to encourage owners to adopt higher efficiency standards for construction, rehabilitation and operations/maintenance. To help address the split incentive to housing providers, HUD has also allowed for financial incentives such as a reduced multifamily insurance premium rate for properties which achieve and maintain an ENERGY STAR® score of 75 or higher.

While some benchmarking and other energy efficiency requirements are still voluntary or under review for specific HUD-assisted portfolios at this time, through the Better Buildings Challenge (“BBC”) affordable housing owners and managers are able to access financial and technical assistance, as well as the opportunity to participate in pilot financing (such as pay for success) programs.

Next Steps:

Through partnerships with the BBC and other national and local HUD agents, NYSERDA will explore how to coordinate with these existing HUD programs to

provide targeted gap funding and technical assistance to participating Section 8 and other HUD rental assistance program property owners.

36. Work with land banks across the state to improve the energy efficiency of properties being purchased by lower-income households.

Discussion:

Land banks¹³ play an important role in community redevelopment and in creating a path for first time or lower-income home buyers. To date, there has been limited coordination between land banks and ratepayer funded energy efficiency programs, however with an increased emphasis on improving energy affordability for low-income residents, NYSERDA and the utilities should consider opportunities to work with land banks as part of the integrated LMI portfolio.

Next steps:

NYSERDA will convene discussions with land banks and key stakeholders, such as HCR, to explore opportunities for coordination. Based on the outcomes of these conversations and if a path for coordination exists, NYSERDA will seek to pilot an approach to coordinate program opportunities with a single or multiple land banks.

37. NYSERDA should develop a one stop shop model to connect residents with resources and training opportunities, and spur economic development at the local level.

Discussion:

NYSERDA funds and administers the Clean Energy Engagement Program (CEEP) and Clean Energy Communities program. There are ten CEEP agencies around the state, including on Long Island, where there is a Community Energy Advisor staff. Those staff are there to support residents and businesses in understanding ways to reduce their energy consumption, energy costs and make informed energy decisions. Community Energy Advisors are there to connect customers to resources and networks that provide cost-saving opportunities in the customer's community.

Building a more sustainable New York starts with building more sustainable communities. Local governments affect energy choices in their communities, from government operations to homes, businesses, and community institutions.

¹³ Land banks are governmental entities or nonprofit corporations that are focused on the conversion of vacant, abandoned, and tax delinquent properties into productive use.

Local governments in NYS can use the Clean Energy Communities program to implement clean energy actions, save energy costs, create jobs, and improve the environment. In addition to providing tools, resources, and technical assistance, the program recognizes and rewards leadership for the completion of clean energy projects.

Next steps:

NYSERDA will continue to offer CEEP and Clean Energy Communities as a way to connect customers to programs. NYSERDA and DPS will also engage members of the low-income energy task force on one-stop models.

- 38. To avoid confusion about the different clean energy programs and various program administrators, NYSERDA and the utilities should consider coordinating outreach and co-branding to present the various program offerings in a cohesive and easy to understand format across all utility service territories.***

Discussion:

There are a number of programs and services available to income-eligible residents, multiple program administrators responsible for delivering these services, and different outreach methods and promotional materials, which can lead to confusion or fatigue for customers. In order for customers to understand their options and increase the likelihood that they participate in a program, a streamlined approach to outreach, awareness, and enrollment would be help.

Next steps:

As part of the development of the statewide ratepayer-funded LMI portfolio, NYSERDA will work with the utilities to develop a coordinated approach to outreach and co-branding of program materials to avoid customer confusion on the ratepayer-funded initiatives. DPS and NYSERDA will work with other state agencies as part of the low-income energy task force to determine how to better align outreach and enrollment for the ratepayer funded and state programs.

- 39. NYSERDA and the utilities should ensure that information on program and opportunities is made available to human service providers, contractors, and other trusted members of communities that may be in a position to refer clients into relevant programs.***

Discussion:

Social service and human service providers are often the first to engage with income-eligible residents and provide a natural point of coordination to ensure that the availability of energy programs is communicated to those in need. The utilities have consumer advocates who typically engage with local human service organizations and NYSERDA works through OTDA and OFA at the state level to

communicate program opportunities to the county offices. While there has been meaningful engagement between energy program administrators and human service providers in the state, we must continue engagement across all channels to ensure that information is widely distributed.

In addition, the Low-Income Forum on Energy (LIFE) is a statewide dialogue supported by the Commission and the NYSERDA. New program initiatives, creative program ideas, and best practices are shared to interested parties through LIFE. To accomplish this, LIFE sponsors frequent free webinars. Further, LIFE sponsors conferences, regional conferences take place every other year around the state with an annual conference, held in Albany, NY on the years when there aren't regional conferences.

Next steps:

Utilities and NYSERDA will continue to facilitate partnership opportunities with community-based organizations to increase LMI awareness of and participation in energy efficiency and clean energy programs.

Human service providers, contractors and any interested community partner have been and will continue to be encouraged to join LIFE dialogue and activities.

40. The state should develop and provide assistance to enable local ownership of DER to facilitate local decision making, economic development, and maximizing benefits for lower-income or disadvantaged communities.

Discussion:

The potential for the proliferation of DER under the Reforming the Energy Vision, presents opportunities for communities to take more control of their energy future by developing and managing a community-scale clean energy project that will benefit residents by providing clean energy and the possible promotion of economic development through job creation and community resilience associated with the clean energy project. Many lower-income or environmental justice communities face technical and financial barriers to developing community scale DER. NYSERDA currently administers initiatives such as REVitalize and the Community Solar Predevelopment and Technical Assistance programs that provide resources to assist in the planning and development of community-scale clean energy projects, funding 14 projects to date.

Next steps:

NYSERDA will work with stakeholders to explore what additional supports and assistance are necessary to aid communities advance DER projects. NYSERDA will also work with relevant state agencies such as the NYS Department of

Environmental Conservation and New York Empire State Development to explore how other state initiatives may also support this work.

41. The PSC should incentivize and hold the utilities accountable with penalties if necessary, for achieving affordability outcomes.

Discussion:

Incentivizing utilities has been proven successful in achieving Commission goals on discrete issues in certain proceedings. The Commission has previously taken up the subject of positive-only earning incentives for utility energy efficiency programs within its EEPS 2 March 2012 Order, where it shifted utility programs to positive only earnings adjustments.¹⁴ Within this Order the Commission reasoned the threat of negative earnings adjustments affected program implementation in counter-productive ways, creating an adversarial approach to setting targets and budgets and substantial administrative burden on DPS Staff and the utilities relevant to the amount of time necessary to consider and account for mitigating circumstances affecting overall program success. Therefore, DPS and NYSERDA staff do not recommend revisiting the current incentive structure at this time.

With regard to affordability goals, given the statewide affordability bill discount programs have only been in place for a year (or less) at most major NYS utilities, it would be premature to determine the necessity and or appropriateness of introducing either positive or negative incentive mechanisms.

Next steps:

DPS staff will assess the utilities' implementation of their affordability programs and determine which elements have been successful and those, if any, that are in need of improvement and apply those lessons learned to future program actions, including the potential, as previously discussed, of encompassing energy efficiency within the affordability goals for LMI customers.

42. NYSERDA and New York Green Bank (NYGB) should develop financing products, such as credit enhancements, to enable third party investment in clean energy solutions for affordable housing and lower-income communities.

Discussion:

NYGB is actively engaging with LMI market participants to develop financing solutions that offer LMI communities' greater opportunities to participate in, and

¹⁴ Case 07-M-0548, Proceeding on Motion of the Commission Regarding an Energy Efficiency Portfolio Standard, Order Establishing Utility Financial Incentives (Issued and Established March 22, 2012).

directly benefit from New York's growing DER market. NYGB's activities supporting LMI communities include debt investments to support community solar projects, the financing of the installation of lighting retrofits in 18 New York City Housing Authority (NYCHA) buildings, and the deployment of solar systems in Brownsville Brooklyn (as facilitated under NYSERDA's Solarize Campaign). To further attract and identify LMI-related investment opportunities, in March 2017 NYGB issued an RFP targeting multifamily building owners seeking to finance the purchase of energy efficiency or renewable energy assets.

More recently, in November 2018, NYGB and NYSERDA jointly issued a Request for Information (RFI) seeking feedback from CDG project developers, sponsors, financiers, community-based organizations, and all other market participants who focus on the low and moderate-income market segment. Responses to the RFI are informing NYGB and NYSERDA efforts to better serve low and moderate-income communities through financing products and program initiatives. The response deadline for this RFI was December 31, 2018 and NYGB and NYSERDA staff are currently assessing the input received and will be using it to develop finance products and programmatic initiatives to increase access to community solar for LMI residents and communities.

NYGB and NYSERDA are also working with affordable housing agencies such as HCR, New York City Housing Preservation and Development (HPD), and affordable housing stakeholders to identify how NYGB investment can further increase the building performance of affordable housing. Beyond this, NYGB has an ongoing open solicitation ("RFP 1") to accept investment proposals on projects in need of financing.

Next steps:

NYGB and NYSERDA staff will assess the responses to the CDG RFI and work with LMI market participants to develop future financing solutions and program offerings to address existing market barriers.

NYGB and NYSERDA will also work with HCR and other housing agencies to identify opportunities where credit enhancement and other finance support for affordable housing projects can be incorporated as part of holistic strategy to increase access to clean energy solutions for affordable housing.

Finally, NYGB and NYSERDA will be co-hosting a roundtable discussion in the Spring of 2019, focused on New York's LMI community and barriers preventing the widescale deployment of financing solutions to enable the adoption of sustainable infrastructure more broadly across the state. This session will offer participants an opportunity to hear about initiatives currently underway to

advance such solutions, recent learnings and planned product development from an RFI and other market discussions, and an exploration of Opportunity Zones as a viable mechanism for facilitating greater activity in this space.

43. Inclusive finance models are important to increase access to clean energy solutions among customers that face barriers to traditional lending. NYSERDA, DPS, and utilities should develop and pilot an inclusive finance model.

Discussion:

In several proceeding, stakeholders have commented that inclusive finance, specifically the Pay as You Save (PAYS) model, would address a barrier in the adoption of clean energy solutions for lower-income customers. Traditionally, low-income customers and customers with low-FICO or high debt-to income ratios face barriers when seeking to access consumer lending products. While inclusive finance may address barriers for some customers, exploration into the viability of the model and the benefits/impacts for the customer and overall rate base are necessary. In the New Efficiency: New York proposal, DPS and NYSERDA proposed to further explore the PAYS model.

Based on the New Efficiency: New York proposal, NYSERDA is currently conducting a financial analysis on an inclusive finance model, which would include PAYS. The financial analysis will be concluded by quarter 3 of 2019. NYSERDA is also participating in a working group with stakeholders in the State of Minnesota, who is also exploring inclusive finance.

Next steps:

Based on the results of the financial analysis, NYSERDA will work with DPS and utilities to develop a pilot to test the potential for an effective and inclusive financing model. NYSERDA will also keep interested stakeholders apprised of the financial analysis and subsequent considerations for pilot activities.

44. The state should work with philanthropy to increase investment in LMI projects.

Discussion:

NYSERDA has been working with philanthropy foundations. The goals of this engagement align with the state's clean energy goals, in particular those goals as they relate to LMI. To date, this has resulted in direct collaboration with five (5) philanthropies on projects that support NYSERDA's clean energy objectives; building linkages between philanthropies and NYSERDA partners to support four (4) new initiatives; and, influencing funders by promoting public-philanthropic partnerships through individual engagement and speaking at philanthropic events.

Next steps:

NYSERDA will continue to seek to develop opportunities with foundations interested in partnering with NYSERDA on LMI energy efficiency and energy burden issues.

Table 1 provides a summary of the input received at the Forums, along with an identification of the relevant Commission proceedings and potential paths for acting on the specific comments. In the assessment of each comment, provided above, DPS and NYSERDA outline the expected approach for action on the comment, this table is intended to highlight the level of interrelation that the issues of energy affordability and access to clean energy solutions have.

Table 1: Summary of Associated Proceedings and Potential Path for Addressing Comments

No.	Relevant Proceeding				Potential Path for Addressing Comment				
	Comprehensive EE Initiative 18-M-0084	Energy Affordability 14-M-0565	Clean Energy Fund 14-M-0094	Value of DER 15-E-0751	LMI Proposal Filing 3/31/19 and Subsequent Implementation Plan	Coordination (with State Agencies and Local Organizations)	CEF	Comment Rejected (will not be considered)	Other
1	X	X	X	X	X		X		X ¹⁵
2	X		X		X	X			
3	X	X	X		X		X		
4	X				X				
5	X		X		X	X	X		
6	X		X		X		X		
7	X	X	X	X	X				
8	X		X		X	X	X		
9	X				X				X ¹⁶
10			X				X		
11	X		X		X		X		
12	X		X		X		X		
13	X		X	X	X		X		
14			X				X		
15	X		X		X		X		
16	X		X		X		X		
17	X		X				X		
18									X ¹⁷
19	X		X		X	X	X		
20	X	X	X		X	X	X		
21	X	X	X		X	X	X		
22						X	X		

¹⁵ Other includes utility REV demonstration projects.

¹⁶ Other includes the development of an advisory group to bring the perspective of environmental justice and community members into program design and planning.

¹⁷ DPS working with LIPA, National Grid, and NYSERDA.

Relevant Proceeding					Potential Path for Addressing Comment				
No.	Comprehensive EE Initiative 18-M-0084	Energy Affordability 14-M-0565	Clean Energy Fund 14-M-0094	Value of DER 15-E-0751	LMI Proposal Filing 3/31/19 and Subsequent Implementation Plan	Coordination (with State Agencies and Local Organizations)	CEF	Comment Rejected (will not be considered)	Other
23						X	X		
24									X ¹⁸
25						X			X ¹⁹
26									X ²⁰
27									X ²¹
28	X		X				X		
29	X		X				X		
30	X		X				X		
31			X				X		
32	X		X			X			
33	X					X			
34			X			X	X		
35						X			
36	X		X			X	X		
37	X		X			X	X		
38	X		X		X	X	X		
39	X		X		X	X			
40			X	X		X	X		
41									X ²²
42			X				X		
43	X		X				X		
44			X				X		

3. Conclusion

The discussion and specific input provided at the forums and outlined here will inform the continued development of the suite of ratepayer funded LMI initiatives to address energy affordability and access to clean energy solutions. As is evident by the discussion at the forums, the issues of energy affordability and access are complex and require balance between what can sometimes be competing interests, for instance, the goal of reducing energy consumption for

¹⁸ The Environmental Justice and Just Transition Working Group

¹⁹ NYSERDA and DPS will engage with stakeholders to explore options to allow for more community-level engagement.

²⁰ DPS and NYSERDA will develop an advisory group.

²¹ NYSERDA and DPS will engage with stakeholders to explore options to allow for more community-level engagement.

²² DPS will continuously assess utility implementation of programs.

low-income households which requires significant investment in energy efficiency and the goals for increasing access to renewable energy, which can also require significant investment.

As discussed throughout this report, some of the input provided by stakeholders is beyond the purview of the Commission, DPS, and NYSERDA, and will require coordination with multiple decision makers at the state, local, and federal levels; for example addressing rent stability is an issue that the energy agencies cannot address alone, staff at NYSERDA and the DPS will work with the relevant agencies and organizations that will be necessary to make progress on these subjects. NYSERDA will also work with the utilities to consider this input as part of the effort to develop a statewide ratepayer-funded LMI portfolio comprehensive initiative to increase energy affordability and scale energy efficiency in the LMI market segment in 2019.

The level of enthusiasm and quality of participation among stakeholders at the forums emphasizes the need for improved and continued engagement on the rate-payer funded LMI energy portfolio to ensure that existing initiatives are delivering the intended results. The filing of this report is not an end to the engagement and discussion on these important issues, DPS and NYSERDA will continue to seek input from those closest to the issues as we seek to advance our affordability and access goals. As discussed previously in this report, DPS and NYSERDA will work with stakeholders to develop a more robust engagement process on LMI issues. Further, the DPS and NYSERDA expect to make substantial progress throughout 2019 in addressing the input provided by stakeholders during the forums and will develop an approach to report out on progress on this work later in the year.