



# Equitable Energy Efficiency

# E3

## Proposed Phase I Actions and Recommendations

Prepared by DEEP's Bureau of Energy and Technology Policy

Draft Determination

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## I. Introduction

The Department of Energy and Environmental Protection (DEEP) hereby issues these Proposed Phase I Recommendations and Actions (Recommendations) in its Equitable Energy Efficiency proceeding (the E3 Proceeding). On September 3, 2020, DEEP launched the E3 Proceeding with the express purpose of defining equity in the context of the Conservation and Load Management (C&LM) programs within DEEP's purview, developing specific metrics to determine which customer demographics are underserved by the current programs, and expanding the inclusion and participation of individuals from underserved communities in those programs.<sup>1</sup> Beginning on that date and through October 5, 2020, DEEP accepted and carefully reviewed public comments from a variety of participants on the scope and process of the Proceeding.

Energy efficiency program administrators have been working through parallel processes, such as the annual C&LM Plan Updates, to assess program participation and enhance their long-standing commitment to equity. Through the E3 Proceeding, DEEP seeks to bring together all relevant actors to identify barriers to participation in C&LM programs and discuss innovative strategies for making programs more equitable. DEEP especially thanks everyone who participated in the public comment process for their thoughtful consideration and feedback regarding the scope and process of the E3 Proceeding. DEEP recognizes the need to continue to learn from and adjust its approaches and provide more inclusive processes for engagement to further widen the circle.

As described below, DEEP refined the scope of the E3 Proceeding based on public comments and developed Proposed Recommendations and Actions that aim to expand the reach of energy efficiency programs in the state. DEEP also determined that the E3 Proceeding will progress in multiple phases with several opportunities for collaboration and feedback. The release of these Proposed Recommendations constitutes the initiation of Phase I of the Proceeding. DEEP will conduct a public input process concerning these Proposed Recommendations as described at the end of this document.

## II. Core Concepts of Equity and Vision Statement

This Proceeding and the resulting Phase I Recommendations seek to align with and address fundamental components of equity. In their report to the Governor's Council on Climate Change (GC3), the Equity and Environmental Justice Working Group outlined four core concepts of equity:<sup>2</sup>

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<sup>1</sup>See DEEP Notice of Equitable Energy Efficiency Proceeding and Request for Written Comments, September 3, 2020, *available at*: <http://www.dpuc.state.ct.us/DEEPEnergy.nsf/c6c6d525f7cdd1168525797d0047c5bf/12c36ce3c4b5a80c852585d80046845f?OpenDocument>

<sup>2</sup>See Governor's Council on Climate Change, GC3 Phase 1 Report, January 2021, *available at*: [https://portal.ct.gov/-/media/DEEP/climatechange/GC3/GC3\\_Phase1\\_Report\\_Jan2021.pdf](https://portal.ct.gov/-/media/DEEP/climatechange/GC3/GC3_Phase1_Report_Jan2021.pdf)

1. **Distributive Equity** - relates to the distribution of benefits and costs and calls for directing resources to the most vulnerable communities.
2. **Procedural Equity** - relates to planning processes and calls for open, accessible planning processes in partnership low-income community and communities of color.
3. **Contextual Equity** - recognizes the legacy of racial and income equality, among other factors, in the development of policy.
4. **Corrective Equity** - recognizes that the most vulnerable communities often lack traditional forms of economic resources or political influence and calls for a process by which communities can hold institutions accountable.

The Phase I recommendations incorporate some of these concepts, and future phases of this Proceeding will be designed to advance distributive, procedural, contextual, and corrective equity.

This Proceeding will also be guided by a foundational Vision Statement that builds on these concepts and outlines current and future objectives for equity in energy efficiency. The Vision Statement is not intended to be static, and will evolve with shifting priorities, emerging challenges, and public input. Participants are encouraged to provide feedback on the Vision Statement during the public comment period.

### **Vision Statement for Equity in Energy Efficiency**

Energy efficiency is one of the most cost-effective energy resources and has the potential to reduce energy burdens, cut carbon emissions, and promote community resilience. However, conscious effort is required to ensure that these benefits are conferred equitably among Connecticut residents. Equitable energy efficiency programs will:

- Reduce energy burdens for all customers
- Recognize and work to remediate past harm by prioritizing historically overburdened and underserved communities
- Mitigate and work to eliminate barriers to participation in energy efficiency programs
- Include accessible and transparent process for incorporating residents' priorities and lived experiences into program design and decision-making
- Increase access to the benefits of clean energy and the clean energy economy

It should also be noted that the Vision Statement does not seek to define equity as a concept. Rather, it puts forward a vision of what equity in energy efficiency looks like and is open to changes and adjustments over time based on input from communities with which we will seek to engage. There are currently several initiatives at DEEP, including the Transportation Climate Initiative and Governor's



Council on Climate Change, that are working to define equity in the context of energy and environmental programs. DEEP will work through these processes to create a definition of equity that is consistent across all areas of its work.

### III. Scope and Process of Proceeding

DEEP launched the E3 Proceeding to define equity in the context of the energy efficiency and load management programs within DEEP's purview, to develop specific metrics to determine which customer demographics are underserved by the current programs, and to expand the inclusion and participation of individuals in underserved communities. The E3 Proceeding will also explore whether Connecticut's business customers are equitably benefitting from C&LM funded programs.

Concurrent with the launch of the E3 Proceeding, DEEP released a [Notice of E3 Proceeding and Request for Written Comments](#) (the Scoping Notice) requesting public comments on the scope and process of the E3 Proceeding. In the Scoping Notice, DEEP proposed to examine the following topics and sought public comment regarding whether these proposed topics were sufficient to address the integration of equity and climate change considerations in C&LM marketing, program design and implementation:

1. Defining and measuring progress towards more equitable C&LM programs;
2. Assessing innovative ways to enhance equity;
3. Establishing inclusive marketing, outreach, and education approaches; and
4. Addressing health and safety barriers to participation in energy efficiency programs.

Furthermore, DEEP requested comment on whether additional topics should be included in the scope of the Proceeding. Finally, concerning the process of this proceeding, DEEP asked for comments regarding who should participate in the proceeding, how to ensure the process is fully accessible to the public and those who represent low and moderate income and minority customers, and whether DEEP should incorporate its proceedings on cost-effectiveness testing and the definition of weatherization into this proceeding.

A total of 22 entities ("Participants") representing environmental organizations, low-income advocates, C&LM program vendors, electric distribution companies, state agencies, municipalities, the Energy Efficiency Board, and others submitted comments. Several Participants submitted written comments in support of the topics proposed by DEEP and provided suggestions for DEEP to refine its review of each topic and the E3 Proceeding process. Upon reviewing the written comments, DEEP has decided not to incorporate cost-effectiveness testing or the examination of a definition of weatherization into the E3

Proceeding.<sup>3</sup> DEEP will address those topics in separate proceedings, which will involve their own public engagement processes.

Recognizing the multifaceted and complex nature of this Proceeding, DEEP has determined that the E3 Proceeding will include multiple separate phases, which will allow for an iterative and ongoing process. At the beginning of each phase, DEEP will release a set of Proposed Recommendations and Actions that seek to address the topics and issues raised by DEEP in the Scoping Notice and the comments submitted by Participants in response. Following the release of such recommendations, DEEP will provide the public and all interested parties with an opportunity to submit written comments. Interested parties will also be able to comment during two public meetings: (1) an E3 Technical Meeting and (2) a less formal evening E3 Public Input Session, as more fully described at the end of this document. DEEP will release a Final Determination either adopting, modifying, or rejecting the Proposed Recommendations after the conclusion of the public comment period.

Phase I of the E3 Proceeding begins with the release of the Proposed Recommendations below. The goal of Phase I is to characterize the current state of energy efficiency programs across multiple dimensions of equity while taking short-term actions to enhance equity based on known barriers and challenges. Future phases of this Proceeding will use the findings of Phase I to further institutionalize equity in program design. DEEP will announce the commencement of Phase II at a later date.

## IV. Phase I Proposed Recommendations and Actions

As outlined above Phase I of this Proceeding seeks to characterize the current state of C&LM program participation across multiple dimensions of equity while taking short-term actions to address known equity challenges and barriers. Each of the Proposed Recommendations that follow contextualize a specific topic, summarize Participant comments on that topic, and propose action items.

These Recommendations recognize that some of the issues raised in Participant comments are being addressed through parallel processes and in other venues. For example, the Energy Efficiency Board (EEB) and DEEP, with the help of the utilities, vendors, and others, have convened workshops to address health and safety barriers to weatherization, which disproportionately impact participants in the Income Eligible program. The Low Income Energy Advisory Board also voted positively in favor of DEEP's plan to utilize LIHEAP funding to create a program for health and safety barrier remediation. Additionally, the 2021

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<sup>3</sup> DEEP has modified its cost-effectiveness testing practices to capture all fuel savings as required by statute. Certain non-energy participant benefits are also assessed through the Total Resource Cost Test, which is the primary metric for income-eligible programs and a secondary test for market rate programs. See 2021 Plan Update to the 2019-2021 Conservation and Load Management Plan, available at: <https://portal.ct.gov/-/media/DEEP/energy/ConserLoadMgmt/FINAL-2021-Plan-Update-Filed-10302020.pdf>

Update of the C&LM Plan outlines the utilities' plans for enhanced community outreach and addressing program barriers specific to renters. As such, DEEP's Proposed Recommendations on these topics (Recommendations 6-8) endorse these processes and demonstrate DEEP's continued support and participation. As these processes identify supplementary changes, later phases of this Proceeding may include further recommended action on these topics.

## **1. Recommendation 1: Utilize outside expertise and recruit a more diverse board to embed equity in decision-making**

Addressing the challenges and opportunities outlined in this Proceeding will require varied expertise in energy and non-energy issues; expertise that may not be currently represented in decision-making bodies and program administrators, including DEEP, the EEB, and the utilities. An outside consultant in diversity, equity, and inclusion would provide an objective and expert view of Connecticut's energy efficiency programs and potential improvements.

A diversity, equity, and inclusion consultant (DEI Consultant) would review the current state of equity in energy efficiency programs and propose recommendations to align programs with the Vision Statement. The DEI Consultant could be contracted through the EEB. DEEP intends to move forward with this Proceeding while this process is underway, recognizing that the consultant may recommend changes to its scope, process, and Vision Statement.

In keeping with DEEP's Environmental Equity Policy,<sup>4</sup> DEEP is also currently developing a process to solicit nominations for board membership in a more inclusive manner to increase board diversity.

### **DEEP is considering the following short-term actions in relation to Recommendation 1:**

- Direct the EEB to develop a plan to hire a DEI Consultant, along with an appropriate budget. The DEI Consultant should have a planned start date before the end of 2021.
- Develop a process to solicit nominations for board membership in a more inclusive manner to increase board diversity.

## **2. Recommendation 2: Create a plan for effectively assessing C&LM program participation**

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<sup>4</sup> See DEEP, Environmental Equity Policy, *available at*: <https://portal.ct.gov/DEEP/Environmental-Justice/Environmental-Equity-Policy>



Pursuant to C.G.S. §16-245ee, each electricity distribution company (EDC) must annually submit the prior calendar year's Equitable Distribution data to DEEP and the EEB. This data includes the amount of efficiency program funds assessed and the portion of incentives expended on a census tract basis (or by town, if census tract data is not available).<sup>5</sup> The data is disaggregated by peak demand threshold (greater or less than 100kW) and customer class (Residential or Commercial and Industrial). Residential data is further disaggregated by Home Energy Solutions (HES) and Home Energy Solutions Income-Eligible (HES-IE) programs, identifying the number of participants in each program by housing stock. Additionally, the Equitable Distribution data identifies distressed census tracts; defined in C.G.S. § 16-245ee as census tracts where the median income is not more than 60 percent of the state median income.

While the Equitable Distribution Report captures the geographic disbursement of program funds and expenditures in distressed census tracts, additional reporting is required to track the extent to which energy efficiency programs are reaching the communities that could benefit the most from them. More comprehensive data tracking is essential to identifying which groups are underserved by C&LM programs. This understanding will not only help to characterize the current state of distributional equity in the programs, it will also serve as the foundation for other Recommendations, ensuring that the programs are reaching the communities that need them most.

### Summary of Participant comments received through the Proceeding:

- The development of an equity performance management incentive (PMI) to incentivize attainment of equity metrics<sup>6</sup>
- Tracking participation and measuring energy savings of participants by demographic characteristics, including race, ethnicity, and primary language
- Track and report participation in HES/HES-IE by people who are behind on bills, enrolled in social assistance programs, or have high energy burden (greater than 6 percent of income is spent on utility bills)<sup>7</sup>

**These comments informed further research of additional data collection and assessment opportunities, including:**

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<sup>5</sup> See Conn. Gen Stat, §16-245ee available at: [https://www.cga.ct.gov/current/pub/chap\\_283.htm#sec\\_16-245ee](https://www.cga.ct.gov/current/pub/chap_283.htm#sec_16-245ee)

<sup>6</sup> See Comments from Center For Children's Advocacy, United Illuminating, Town Of Vernon, Energy Efficiency Board, Sierra Club, Operation Fuel, New England Smart Energy Group, VEIC, Clean Water Action, and Eversource, available at: [http://www.dpuc.state.ct.us/DEEP/Energy.nsf/\\$EnergyView?OpenForm&Start=1&Count=30&Expand=13.1&Seq=2](http://www.dpuc.state.ct.us/DEEP/Energy.nsf/$EnergyView?OpenForm&Start=1&Count=30&Expand=13.1&Seq=2)

<sup>7</sup> The Fisher Sheehan & Colton Home Energy Affordability Gap analysis is commonly used to assess energy affordability. The 6% threshold is based on the assumption that energy costs should not exceed 20% of total shelter costs, and total shelter costs should not exceed 30% of income (20% of 30% is 6%). This threshold is widely cited in literature and has been used in other jurisdictions, including New York's Energy Affordability Policy. See Fisher Sheehan & Colton, Home Energy Affordability Gap, available at: <http://www.homeenergyaffordabilitygap.com/>

- Tracking program participation in environmental justice areas: The U.S. Environmental Protection Agency's (EPA) EJSCREEN mapping tool delineates census tracts based on a suite of environmental and demographic indicators and environmental justice indexes.<sup>8</sup> Tracking participation in environmental justice census tracts that are at or above the 80th percentile nationally for PM 2.5 emissions, as defined by the tool, would assess the degree to which communities that overburdened by air pollution are benefiting from energy efficiency programs.
- Tracking program participation in communities of color: For example, The Energy Trust of Oregon established a baseline for participation in energy efficiency programs in communities of color that was used to inform their diversity, equity, and inclusion goals. These communities are defined using a racial diversity index that employs the U.S. Census Bureau's American Community Survey race and ethnicity variables to calculate the percentage of non-Caucasian people in each census tract. The Energy Trust of Oregon then broke these percentages into quintiles to identify the most racially diverse census tracts on a scale of 1-5, with 5 being the most racially diverse.<sup>9</sup>
- Tracking program participation based on energy affordability: The affordability threshold for household energy burden, the percentage of household income spent on energy, is generally considered to be 6 percent. DOE's Low-Income Energy Affordability Data (LEAD) tool maps energy burden at the state, county, census tract, and city level. While Connecticut has an average energy burden of 3 percent, below the affordability threshold, there are 106 census tracts with average energy burdens of 6 percent or higher.<sup>10</sup>
- Tracking program participation by health outcomes: The Center for Disease Control and Prevention's (CDC) new PLACES Interactive Maps Illustrates disparities at a census tract and zip code level to understand the burden and geographic distribution of health-related outcomes in their jurisdictions. As data on asthma rates is of particular interest for prioritizing home clean energy interventions, the PLACES tool could be used to track program participation in census tracts with crude asthma rates at or above the 90th percentile statewide.
- Creating a heat map that illustrates the magnitude of arrearages and utility shutoffs across the state. The heat map would identify areas with high concentrations of customers in arrears and instances of utility shutoffs.

**Note on Census Data:** The assessment tools above provide geographic (not household level) analysis and rely on publicly available census data. While there is evidence that the census may undercount certain

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<sup>8</sup> See U.S. Environmental Protection Agency, EJSCREEN: Environmental Justice Screening and Mapping Tool, *available at*: <https://www.epa.gov/ejscreen/what-ejscreen>

<sup>9</sup> See Energy Trust of Oregon, 2018 Diversity, Equity, and Inclusion Data and Baseline Analysis, *available at*: [https://www.energytrust.org/wp-content/uploads/2018/12/2018\\_DEI\\_Data\\_Baseline\\_Analysis.pdf](https://www.energytrust.org/wp-content/uploads/2018/12/2018_DEI_Data_Baseline_Analysis.pdf)

<sup>10</sup> See U.S. Department of Energy, Low-Income Energy Affordability (LEAD) Tool, *available at*: <https://www.energy.gov/eere/slsc/maps/lead-tool>

groups, particularly communities of color,<sup>11</sup> studies have also demonstrated that census-level data can, in general, capture household-level results.<sup>12</sup> Further, household-level demographic data obtained from third parties suffer from inaccuracies and verification challenges.<sup>13</sup> As a result, DEEP views equity metrics that rely on census data as a reliable and readily available option for assessing equity in the short term.

**Participants and interested or impacted parties are encouraged to indicate, during the current public comment period, which of these data points should be prioritized and present other data tracking proposals for DEEP to consider.**

**DEEP is considering the following short-term actions in relation to Recommendation 2:**

- Instruct the utilities to provide, retrospectively, the data points described above (pending public comments), for analysis by the DEI consultant, the EEB and DEEP. This data should look back no less than five years.
- Instruct the utilities to propose a plan to track some or all of the data points described above (pending public comments) moving forward.

### **3. Recommendation 3: Develop metrics and goals to assess equitable distribution of C&LM program funds**

While the Equitable Distribution Report and new data tracking opportunities described above would help to identify underserved communities, moving towards more equitable distribution of program funds requires the development of metrics and goals. There are existing secondary metrics in place to assess C&LM program performance, including a metric that requires the utilities to expend the HES-IE budget; however, these metrics alone may not be sufficient to ensure equity.

Compliance Condition No. 1 of the 2021 C&LM Plan Update required the utilities to develop secondary equity metrics by March 1, 2021.<sup>14</sup> The utilities and their consultants conducted a thorough process with

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<sup>11</sup>See U.S. Census Bureau, Estimates of Undercount and Overcount in the 2010 Census, May 22, 2012, *available at*: [https://www.census.gov/newsroom/releases/archives/2010\\_census/cb12-95.html](https://www.census.gov/newsroom/releases/archives/2010_census/cb12-95.html)

<sup>12</sup> See Massachusetts Energy Efficiency Advisory Council, Residential Nonparticipant Customer Profile Study, February 6, 2020, *available at*: [https://ma-eeac.org/wp-content/uploads/MA19X06-B-RESNONPART\\_Report\\_FINAL\\_v20200228.pdf](https://ma-eeac.org/wp-content/uploads/MA19X06-B-RESNONPART_Report_FINAL_v20200228.pdf)

<sup>13</sup> See Deloitte, Predictably inaccurate: The prevalence and perils of bad big data, July 31, 2017, *available at*: <https://www2.deloitte.com/us/en/insights/deloitte-review/issue-21/analytics-bad-data-quality.html>

<sup>14</sup> See DEEP Determination, Approval with Conditions of the 2021 Plan Update to the 2019-2021 Conservation and Load Management Plan, and Approval of the 2020 PMI Adjustment Pro-Ration Modified Approach, March 4, 2021, *available at*: [http://www.dpuc.state.ct.us/DEEPEnergy.nsf/c6c6d525f7cdd1168525797d0047c5bf/d80f7ae5059c5efc8525868e00598e40/\\$FILE/Determination\\_Approval\\_with\\_Conditions\\_2021\\_Plan\\_Update\\_2020\\_PMI\\_Adjustment\\_\(002\).pdf](http://www.dpuc.state.ct.us/DEEPEnergy.nsf/c6c6d525f7cdd1168525797d0047c5bf/d80f7ae5059c5efc8525868e00598e40/$FILE/Determination_Approval_with_Conditions_2021_Plan_Update_2020_PMI_Adjustment_(002).pdf)



EEB Committees to develop a secondary metric, which was approved by the EEB, to track and increase participation in energy efficiency programs among customers that are enrolled in the Matching Payment Program (MPP). The utilities will track participation in HES and HES-IE from January 1, 2021 through December 31, 2021 among customers that were automatically enrolled in the MPP as of November 1, 2020, with the goal of achieving 2.1 percent participation in this customer group.<sup>15</sup> This metric recognizes Connecticut's significant energy affordability challenge and aims to relieve some of the most burdened ratepayers. However, as explored in 17-12-03RE01, DEEP notes that participating in the MPP can be challenging for some customers and that MPP enrollees do not comprise all Connecticut residents that struggle with high energy burdens. A more inclusive approach would be to include customers enrolled in the financial and medical hardship programs separately.

The University of Michigan's Energy Efficiency Equity baseline (E3b) metric provides another assessment option. This metric estimates equitable utility investment in proportion to the low-income population in a service territory and as a percentage of the total residential energy efficiency investment portfolio.<sup>16</sup> In the university's accompanying multi-state analysis of equity in energy efficiency investments, Connecticut performed well on the E3b metric compared to other states in the study;<sup>17</sup> however, there is always room for improvement. Evaluating performance based on the E3b metric over time could provide a method for furthering assessing equitable distribution of funds.

### **DEEP is considering the following actions in relation to Recommendation 3:**

Working towards contextual equity will require the examination of other, non-economic indicators. Based on the findings of Recommendation 2 above, DEEP may recommend the development of the following metrics:

- Develop a secondary metric that is broader than the current MPP metric, potentially covering medical and financial hardship customers, and including more ambitious targets to scale up the percentage of participating customers on an annual basis. This metric would be for use in future years, as the MPP metric is already in place for 2021.
- Increase participation in HES and HES-IE in environmental justice census tracts (as defined by EPA's EJSCREEN tool) that are in the 80<sup>th</sup> percentile or higher for national particulate matter (PM) 2.5 levels.

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<sup>15</sup> See Eversource, UI, CNG, SCG filing, March 1, 2021, *available at*:

<http://www.dpuc.state.ct.us/DEEPEnergy.nsf/c6c6d525f7cdd1168525797d0047c5bf/8525797c00471adb8525868b004b6d14?OpenDocument>

<sup>16</sup> See University of Michigan, A Multi-State Analysis of Equity in Utility-Sponsored Energy Efficiency Investments for Residential Electric Customers, April 2019, *available at*: <https://poverty.umich.edu/publications/a-multi-state-analysis-of-equity-in-utility-sponsored-energy-efficiency-investments-for-residential-electric-customers/>

<sup>17</sup> See *id.*

- Increase participation by communities of color, using the Energy Trust of Oregon’s model. The Energy Trust established goals to increase participation in energy efficiency programs in communities of color by 20 percent by 2020.<sup>18</sup>
- Increase participation in HES and HES-IE in census tracts where the average energy burden is greater than 6 percent.
- Increase participation from census tracts with high rates of asthma, as defined by the CDC’s PLACES tool.
- Establish a baseline E3b level for Eversource and United Illuminating based on the most recent available data.
- Establish a goal of at least maintaining the E3b figures for each utility on an annual basis.
- Annually report these metrics and track progress towards goals in the C&LM Plan Update and C&LM reporting.

#### 4. Recommendation 4: Assess program participation among moderate-income customers and the extent to which energy efficiency programs meet their needs.

Evidence from other jurisdictions suggests that moderate-income residential customers face barriers to accessing energy efficiency.<sup>19</sup> In particular, financing energy efficiency improvements with higher upfront costs can be challenging for moderate-income customers.<sup>20</sup> While there is some evidence that moderate-income customers in Connecticut do participate in C&LM programs at the same rate as other customer classes, further assessment is necessary to determine if moderate income customers receive the full benefits of these programs.<sup>21</sup> Conducting this analysis first requires a working definition of moderate income customers as it relates to C&LM programs.

Currently, eligibility for the HES-IE program is determined when a customer is at or below 60 percent state median income (SMI) however, the Connecticut Department of Housing defines Low- and Moderate-income persons as those with household income “at or below 80 percent of the median income

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<sup>18</sup> See Energy Trust of Oregon, Quarter Two Progress Toward Diversity, Equity, and Inclusion Goals, available at: [https://energytrust.org/wp-content/uploads/2020/08/ETO\\_Q2.20.DEI.pdf](https://energytrust.org/wp-content/uploads/2020/08/ETO_Q2.20.DEI.pdf)

<sup>19</sup> See Applied Economics Clinic, Accessing Energy Efficiency in Massachusetts, February 2018, available at: <https://aeclinic.org/publicationpages/2018/2/26/accessing-energy-efficiency-in-massachusetts>

<sup>20</sup> See Environmental Defense Fund, Low-Income Energy Efficiency, February 2018, available at: [https://www.edf.org/sites/default/files/documents/liee\\_national\\_summary.pdf](https://www.edf.org/sites/default/files/documents/liee_national_summary.pdf)

<sup>21</sup> See October 5, 2020 comment from the Connecticut Energy Efficiency Board, available at: <http://www.dpuc.state.ct.us/DEEPEnergy.nsf/c6c6d525f7cdd1168525797d0047c5bf/cd3fc777b1b39e2e852585f9000bb70e?OpenDocument>

for the area in which they reside."<sup>22</sup> An alternative approach that identifies customers with financial struggles beyond the current 60 percent SMI eligibility metric is presented in United Way's 2020 ALICE Report. Compared to the 21 percent of Connecticut households that meet the threshold to participate in the state's HES-IE program, the ALICE Report identifies that 38 percent of Connecticut households struggled to afford basic necessities such as housing, food, childcare, transportation, technology and healthcare and are recognized as Asset Limited, Income Constrained, and Employed (ALICE) households.<sup>23</sup> It is worth noting the significant racial disparities between ALICE households in Connecticut. Overall, 38 percent of households had income below the ALICE Threshold in 2018; 57 percent of Black households and 63 percent of Hispanic households in Connecticut were living below the same threshold.

Further, the ALICE report notes that even this 38 percent figure does not capture the full picture of income vulnerability in Connecticut and an additional 13 percent of Connecticut households were on the cusp of the ALICE Threshold in 2018.<sup>24</sup> ALICE income levels and the 60 percent state median income figure currently used to grant HES-IE eligibility varies by household size. For example, the ALICE Household Survival Budget in Connecticut of \$28,908 for a single adult was covered by the 60 percent State Median Income threshold at \$34,366 for a single adult. However, the ALICE Household Survival Budget in Connecticut of \$90,660 for a family of four in 2018 is significantly more than the corresponding 60 percent SMI of \$66,089 for a family of four.

### Summary of Participant comments received through the Proceeding:<sup>25</sup>

- Create a universal definition for low-income, moderate-income, energy affordability, and weatherization, and agree on the definitions used to describe who is served and who needs to be served in Connecticut.
- Identify barriers that moderate-income customers face to accessing energy efficiency.
- Revisit assumptions about moderate-income customers to compare moderate-income participation to other customer classes.
- If necessary, expand certain low-income programs or incentives to moderate-income customers.

### DEEP is considering the following actions in relation to Recommendation 4:

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<sup>22</sup> See Connecticut Department of Housing, 2020 Small Cities CDBG Handbook, available at: <https://portal.ct.gov/-/media/DOH/2020-SC-Application/2020-CDBG-Handbook-Final.pdf?la=en>

<sup>23</sup> See United Way, ALICE in Connecticut: A Financial Hardship Study, 2020, available at: [https://alice.ctunitedway.org/wp-content/uploads/2020/09/2020ALICEReport\\_CT\\_FINAL-8-20-20.pdf](https://alice.ctunitedway.org/wp-content/uploads/2020/09/2020ALICEReport_CT_FINAL-8-20-20.pdf)

<sup>24</sup> See id.

<sup>25</sup> See Comments from the Energy Efficiency Board, New England Smart Energy Group, United Illuminating, Eversource, Energy Efficiency Board, and Operation Fuel available at: [http://www.dpuc.state.ct.us/DEEPEnergy.nsf/\\$EnergyView?OpenForm&Start=1&Count=30&Expand=13.1&Seq=2](http://www.dpuc.state.ct.us/DEEPEnergy.nsf/$EnergyView?OpenForm&Start=1&Count=30&Expand=13.1&Seq=2)



- Propose a moderate-income definition aligning with one of the sources listed above (CT DOH, ALICE Report) or another source.
- Conduct an assessment of participation among moderate-income customers that is guided by the moderate-income definitions listed above.
- Based on the outcome of that assessment, explore options to provide certain low-income programs and incentives to moderate-income customers, or create tiered incentive structure that provides moderately income-constrained households with increased incentives for HES services.
- Explore ways to encourage vendors to cover up-front costs that are reimbursable by C&LM incentives for certain eligible moderate-income customers.

## 5. Recommendation 5: Streamline the eligibility process for low-income programs

At present, customers are eligible for the HES-IE program if they meet any of the following eligibility criteria:<sup>26</sup>

- Demonstrate an income that is 60 percent of the state median income.
- Enrollment in Eversource’s Matching Payment or New Start programs or CNG, SCG, and UI’s Forgiveness or New Start programs.
- Presentation of a copy of an Electronic Benefit Transfer (EBT) Award Letter for Supplemental Income Recipients, an Energy Assistance Award Letter, or a Section 8 Housing Choice Voucher.
- Reside in a property where a certain threshold of tenants qualifies for HES-IE (for example, in a three- or four-unit building, two of the units must qualify for HES-IE).<sup>27</sup>
- Automatic qualification for census tracts where 80 percent of households are 60 percent below the median income.

However, demonstrating eligibility under some of these criteria can be challenging for low-income residents. Inability to provide the requisite eligibility documentation can present a barrier to participation. Streamlining eligibility refers to any change that would make it easier for residents to demonstrate that they are eligible to participate in HES-IE.

DEEP is currently working with the Department of Social Services (DSS), PURA’s Office of Education, Outreach & Enforcement (EOE) and the utilities to develop a data sharing arrangement

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<sup>26</sup> See Energize CT, Home Energy Solutions-Income Eligible, available at: <https://www.energizect.com/your-home/solutions-list/save-energy-and-money-all-year-long>

<sup>27</sup> See Energize CT, Home Energy Solutions-Income Eligible 2020 Application Instructions, available at: <https://www.energizect.com/sites/default/files/1-0187%20HES-IE%20Program%20App%202020%20Final%20Web.pdf>

between DSS and the EDCs that would streamline the enrollment process for financial hardship designation. Under Conn. Gen. Stat. § 16-262c, receipt of certain benefits administered by DSS such as Supplemental Nutrition Assistance Program (SNAP), Temporary Family Assistance (TFA), and State-Administered General Assistance (SAGA), is considered proof of hardship status. This type of data sharing arrangement would allow the utilities to automatically qualify eligible customers for hardship by verifying with DSS whether those customers receive qualifying benefits. This arrangement would also streamline eligibility by identifying customers that would benefit from energy efficiency programs like HES-IE.

### Summary of Participant comments received through the Proceeding:

- Eligibility requirements and the accompanying documentation requirements can be a barrier to accessing low-income programs.
- Improved information-sharing between DEEP and DSS could further streamline HES-IE eligibility if participation in certain DSS programs could serve as an additional eligibility criterium.<sup>28</sup>
- It can be difficult for low-income households, particularly residents of multifamily housing, to gather the necessary eligibility documentation in a timely manner. Adding more census tracts that receive automatic eligibility would help to overcome this barrier and increase participation in high-need, high-impact areas.<sup>29</sup>
- Developing a tool for vendors that would allow them to determine census-based eligibility by entering an address would help vendors in their own application verification and marketing processes.<sup>30</sup>

### DEEP is considering the following actions in relation to Recommendation 5:

- Through improved data sharing with state agencies, streamline eligibility based on participation in other state assistance programs.
- To further explore other avenues for streamlining eligibility, establish a working group that will address this issue long-term.
- Develop a tool that allows vendors to easily identify eligible customers by address in order to support their verification and marketing activities.

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<sup>28</sup> See Comment from PURA Office of Education, Outreach, and Enforcement, *available at*:

<http://www.dpuc.state.ct.us/DEEPEnergy.nsf/c6c6d525f7cdd1168525797d0047c5bf/2c54284474486315852585f9000de64a?OpenDocument>

<sup>29</sup> See Comment from New England Smart Energy Group, *available at*:

[http://www.dpuc.state.ct.us/DEEPEnergy.nsf/c6c6d525f7cdd1168525797d0047c5bf/a378fb34885351fd852585f90051a197/\\$FILE/New England Smart Energy Group, LLC.pdf](http://www.dpuc.state.ct.us/DEEPEnergy.nsf/c6c6d525f7cdd1168525797d0047c5bf/a378fb34885351fd852585f90051a197/$FILE/New%20England%20Smart%20Energy%20Group.%20LLC.pdf)

<sup>30</sup> See *id.*

## 6. Recommendation 6: Develop outreach plans for high-need or high-impact populations

Improving outreach to underserved and overburdened populations will be a long-term, iterative process requiring continued collaboration with the utilities, vendors, community members, EEB, and other interested/impacted parties. An outreach plan should build on Recommendations 1 and 2 above to target specific populations, including those that live in EPA-designated environmental justice census tracts or census tracts with an average energy burden of 6 percent or greater.

The utilities are in the process of developing a community outreach plan, which will provide resources for community organizations to conduct their own outreach at the municipal level. This plan aims to work within the existing network of community organizations to reach underserved municipalities and sub-populations. In accordance with Compliance Condition No. 12 of the 2021 C&LM Plan Update, DEEP is planning to seek additional feedback on this proposal through a public comment process. Compliance Condition No. 7 of the 2021 C&LM Plan Update requires the utilities to work with the Department of Housing to perform outreach for building envelope and heat pump programs to homeowners enrolled in the state program for crumbling foundations.<sup>31</sup>

### Summary of Participant comments received through the Proceeding:

- Through its energy affordability and arrearage forgiveness dockets, PURA has identified that many low- and moderate-income customers do not participate in utility programs for which they are eligible.<sup>32</sup> In their public comment, PURA postulated that this may also be the case for state weatherization and energy efficiency programs.
- This proceeding should develop strategies to target communication to LMI customers in order to increase the number of program participants.<sup>33</sup>
- Improved information-sharing between state agencies, DSS in particular, could help to identify customers that would benefit from participating in HES-IE.<sup>34</sup>

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<sup>31</sup> See DEEP Determination, Approval with Conditions of the 2021 Plan Update to the 2019-2021 Conservation and Load Management Plan, and Approval of the 2020 PMI Adjustment Pro-Ration Modified Approach, March 4, 2021, *available at*: [http://www.dpuc.state.ct.us/DEEPEnergy.nsf/c6c6d525f7cdd1168525797d0047c5bf/d80f7ae5059c5efc8525868e00598e40/\\$FILE/Determination\\_Approval\\_with\\_Conditions\\_2021\\_Plan\\_Update\\_2020\\_PMI\\_Adjustment\\_\(002\).pdf](http://www.dpuc.state.ct.us/DEEPEnergy.nsf/c6c6d525f7cdd1168525797d0047c5bf/d80f7ae5059c5efc8525868e00598e40/$FILE/Determination_Approval_with_Conditions_2021_Plan_Update_2020_PMI_Adjustment_(002).pdf)

<sup>32</sup> See Comment from PURA Office of Education, Outreach, and Enforcement, *available at*: <http://www.dpuc.state.ct.us/DEEPEnergy.nsf/c6c6d525f7cdd1168525797d0047c5bf/2c54284474486315852585f9000de64a?OpenDocument>

<sup>33</sup> See id.

<sup>34</sup> See id.



- Effective strategies prioritize local outreach and work with trusted local representatives and established community groups, in particular, Community Action Agencies and local Energy Task Forces.<sup>35</sup>
- It is important to meet people where they are; conducting outreach from schools, community centers, food banks, churches, and other frequented areas.<sup>36</sup>
- An effective outreach strategy will target income-eligible participants through local municipal departments, commissions, public services, schools, neighborhood associations, local energy task forces and commissions, affordable housing organizations, and resident-run community-based organizations and advocacy groups.<sup>37</sup>
- Identifying, training, and funding local trusted community members to serve as liaisons, coordinate outreach efforts and help monitor progress would serve as a unique workforce development opportunity as well as to build trusted partnerships.<sup>38</sup>
- Develop programs for non-English speakers, focusing on the most commonly spoken languages in Connecticut: Spanish, Portuguese, and Polish.<sup>39</sup>
- Create youth-centered educational programs focused on the science of climate change and the importance of energy efficiency measures, including the distribution of energy efficiency toolkits to students.<sup>40</sup>
- Leverage Energy Efficiency Day as an energy conference that brings stakeholders together, offers education and workshops, and an exhibition and demo day for the public.<sup>41</sup>

## DEEP is considering the following short-term actions in relation to Recommendation 6:

- With input from participants, develop a Community Engagement Plan that aligns with the goals outlined in this Proceeding and the C&LM Plan.

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<sup>35</sup> See Comments from Clean Water Action, VEIC, United Illuminating, Office Of Consumer Counsel, NHS New Haven, and Energy & Resource Solutions, available at: [http://www.dpuc.state.ct.us/DEEPEnergy.nsf/\\$EnergyView?OpenForm&Start=1&Count=30&Expand=13.1&Seq=4](http://www.dpuc.state.ct.us/DEEPEnergy.nsf/$EnergyView?OpenForm&Start=1&Count=30&Expand=13.1&Seq=4)

<sup>36</sup> See Comments from Clean Water Action and New England Conservation Services, available at: [http://www.dpuc.state.ct.us/DEEPEnergy.nsf/\\$EnergyView?OpenForm&Start=1&Count=30&Expand=13.1&Seq=4](http://www.dpuc.state.ct.us/DEEPEnergy.nsf/$EnergyView?OpenForm&Start=1&Count=30&Expand=13.1&Seq=4)

<sup>37</sup> See Comment from Center For Children's Advocacy, available at: [http://www.dpuc.state.ct.us/DEEPEnergy.nsf/\\$EnergyView?OpenForm&Start=13.1.16&Count=30&Expand=13.1&Seq=5](http://www.dpuc.state.ct.us/DEEPEnergy.nsf/$EnergyView?OpenForm&Start=13.1.16&Count=30&Expand=13.1&Seq=5)

<sup>38</sup> See Comment from Clean Water Action, available at: <http://www.dpuc.state.ct.us/DEEPEnergy.nsf/c6c6d525f7cdd1168525797d0047c5bf/45db095500c76c15852585f9004c042a?OpenDocument>

<sup>39</sup> See Languages in Connecticut, Statistical Atlas, available at: <https://statisticalatlas.com/state/Connecticut/Languages>

<sup>40</sup> See Comments from Efficiency For All, Operation Fuel, and Energy & Resource Solutions, available at: [http://www.dpuc.state.ct.us/DEEPEnergy.nsf/\\$EnergyView?OpenForm&Start=13.1.16&Count=30&Expand=13.1&Seq=5](http://www.dpuc.state.ct.us/DEEPEnergy.nsf/$EnergyView?OpenForm&Start=13.1.16&Count=30&Expand=13.1&Seq=5)

<sup>41</sup> See Comment from Operation Fuel, available at: <http://www.dpuc.state.ct.us/DEEPEnergy.nsf/c6c6d525f7cdd1168525797d0047c5bf/c90cb7f4fc41b51852585f900cdf2b?OpenDocument>

- Support Energize CT’s marketing of energy efficiency programs on social media and other channels and encourage them to increase their social media presence and make advertisements more accessible.
- With the core concept of procedural equity in mind, develop a checklist to ensure that opportunities for public participation in plan development are widely shared and accessible to a diverse group of stakeholders. This could include curating topic-specific contact lists, exploring new communications platforms, making materials more accessible/reducing complexity, hosting evening meetings, and translating certain communications into common, non-English languages.

## 7. Recommendation 7: Support efforts to address energy efficiency health and safety barrier mitigation

The EEB already began a process for addressing health and safety barriers to weatherization. It includes convening workshops with experts and stakeholders to share information and discuss potential solutions. The first of these workshops took place on November 18, 2020, and a second took place on January 20, 2021. This proceeding will support the EEB’s ongoing efforts to address this issue. Following these discussions, in April 2021, the Low-Income Energy Advisory Board approved DEEP’s proposal to create a Weatherization Barrier Remediation Program with \$2 million of LIHEAP funding. The design of this program is underway as DEEP awaits necessary approvals. Governor Lamont also recently announced his proposal to allocate \$7M of federal American Recovery Plan Act (ARPA) funding for a Health and Safety Barriers to Housing Remediation program administered by DEEP.<sup>42</sup>

Common health and safety barriers include mold, asbestos, knob and tube wiring and other wiring issues, pests, clutter, and structural issues such as roof leaks, foundation issues, and grading issues.<sup>43</sup> A 2010 Green & Healthy Homes Initiative study of several weatherization programs across the United States found that the average cost of addressing health and safety barriers was \$2,172. In general, the cost of remediation was greater than the 10-15 percent allowable for addressing health and safety barriers under U.S. Department of Energy Weatherization Assistance Program rules.<sup>44</sup> Between 2017-2019, 9 percent of HES participants and 23 percent of HES-IE participants had a health and safety barrier that prevented weatherization.<sup>45</sup> LMI communities are disproportionately barred from accessing

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<sup>42</sup> See Governor Ned Lamont, Recommended allocations of federal funds provided under Subtitle M of Title IX of the American Rescue Plan Act of 2021, April 26, 2021, available at: <https://portal.ct.gov/-/media/OPM/Coronavirus/ARPA04262021GovLamontPlan.pdf>

<sup>43</sup> See Applied Public Policy Research Institute for Study and Evaluation, Low-Income Energy Efficiency Opportunities Study, December 2017, available at: [https://www.edf.org/sites/default/files/APPRISE\\_Low-Income-Energy-Efficiency-Opportunities-Study-2017.PDF](https://www.edf.org/sites/default/files/APPRISE_Low-Income-Energy-Efficiency-Opportunities-Study-2017.PDF)

<sup>44</sup> See Green and Healthy Homes Initiative, Identified Barriers and Opportunities to Make Housing Green and Healthy Through Weatherization, October 2010, available at: <https://www.greenandhealthyhomes.org/wp-content/uploads/GHHI-Weatherization-Health-and-Safety-Report1.pdf>

<sup>45</sup> See Faesy presentation from the November 18, 2020 Weatherization Barriers Workshop, available at: <https://portal.ct.gov/-/media/DEEP/energy/ConserLoadMgmt/Weatherization-Barriers-Workshop-1-Slides.pdf>

weatherization programs, as health and safety barriers tend to be more prevalent in low-income housing.<sup>46</sup>

Addressing health and safety barriers is limited by data collection and reporting challenges. Many vendors do not collect the necessary data to analyze the scope, nature, and location of the health and safety challenge. When that data is available, confidentiality concerns often prevent it from being shared in a manner that is useful for research.<sup>47</sup>

Certain health and safety remediation projects, including asbestos abatement (including vermiculite) and mold remediation, are eligible for Smart-E Loans of up to \$25,000 through the Connecticut Green Bank.<sup>48</sup> Smart-E Loans offer no money down, low-interest financing options for energy efficiency improvements. In order to qualify for a Smart-E Loan, a borrower must have a 580 or higher FICO credit score and a 50 percent maximum debt-to-income ratio. The debt-to-income screening is waived for borrowers with a FICO scores of 680 or higher.<sup>49</sup> The Connecticut Green Bank projects that, with a budget of \$1 million, an interest rate buydown program to 0 percent for health and safety barrier remediation could provide, for example, over 900 customers with five-year, zero-interest loans of \$10,000 with a monthly payment of \$167.<sup>50</sup>

While these financing programs will increase the ability of some customers to remediate weatherization barriers, not all customers meet the credit and debt-to-income requirements.

### Summary of Participant comments received through the Proceeding:

- Support cross-sector networks like Building for Health and provide conditions that make collaboration possible. The Building for Health program uses a streamlined income qualification process that removes barriers to participation by pre-qualifying households based on census tract. The initiative also uses a “no wrong door” approach so each program can work with families to resolve their initial concerns and refer them to other programs for additional support.<sup>51</sup>

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<sup>46</sup> See National Renewable Energy Laboratory, Healthy Housing Opportunities During Weatherization Work, March 2011, available at: <https://www.nrel.gov/docs/fy11osti/49947.pdf>

<sup>47</sup> See Efficiency for All, Health and Safety Barriers to Weatherization Study, available at: <https://efficiencyforall.org/wordpress/wp-content/uploads/2020/08/Health-and-Safety-Barriers-study-final-report3-17-17.pdf>

<sup>48</sup> See Connecticut Green Bank, Smart-E Measures, available at: <https://ctgreenbank.com/wp-content/uploads/2020/09/Smart-E-Eligible-Measures-V081020.pdf>

<sup>49</sup> See Connecticut Green Bank presentation at the October 21, 2020 Technical meeting, available at: <https://portal.ct.gov/-/media/DEEP/energy/ConserLoadMgmt/October-2020-Technical-Meeting-Deck.pdf>

<sup>50</sup> See id.

<sup>51</sup> See Comments from Connecticut Children’s Medical Center and Eversource, available at: [http://www.dpuc.state.ct.us/DEEPEnergy.nsf/\\$EnergyView?OpenForm&Start=13.1.16&Count=30&Expand=13.1&Seq=5](http://www.dpuc.state.ct.us/DEEPEnergy.nsf/$EnergyView?OpenForm&Start=13.1.16&Count=30&Expand=13.1&Seq=5)

- Consider funding sources such as external grants from the Department of Energy or the Regional Greenhouse Gas Initiative, LIHEAP funds, WAP funds, FCM funds, under spent C&LM funds, Medicaid or a revolving loan fund for indoor health barrier removal, such as the heat loan funds.<sup>52</sup>
- Develop a more coordinated system for addressing health and safety barriers including a state concierge service for universal intake and specialized contractor deployment; coordination with grassroots groups, healthcare organizations, and other community agencies; and better communication between state agencies and other relevant actors.<sup>53</sup>
- Use the 2020 over-recovery to fund a \$10 million grant and loan program for health and safety barrier mitigation.<sup>54</sup>

### DEEP is considering the following actions in relation to Recommendation 7:

- Establish an interest rate buydown program for HES and HES-IE customers to access interest-free financing for health and safety barrier mitigation.
- Develop a plan to deploy LIHEAP funds if approved to remediate health and safety barriers to weatherization in residential homes, supplemented by additional funding sources, including federal funding, as available.
- Work collaboratively with the utilities, residential contractors, barrier remediation contractors, and other parties to pinpoint a solution for managing, referring, and streamlining health and safety barrier mitigation and efficiency work.

## 8. Recommendation 8: Minimize the impact of HES and HES-IE landlord approval requirement and address barriers to participation among renters

If a HES or HES-IE applicant is not the property owner, their application is currently required to include the property owner's consent and signature.<sup>55</sup> Applicants are responsible for contacting their landlord and obtaining consent for an initial HES or HES-IE visit and receipt of services. Conn. Gen. Stat. § 47a-13a states that a tenant may implement or authorize the implementation of non-structural measures in their

<sup>52</sup> See Comments from United Illuminating, E4TheFuture, Sierra Club, Efficiency for All, and New England Smart Energy Group, available at: [http://www.dpuc.state.ct.us/DEEPEnergy.nsf/\\$EnergyView?OpenForm&Start=13.1.16&Count=30&Expand=13.1&Seq=5](http://www.dpuc.state.ct.us/DEEPEnergy.nsf/$EnergyView?OpenForm&Start=13.1.16&Count=30&Expand=13.1&Seq=5)

<sup>53</sup> See Comments from Center for Children's Advocacy, VEIC, United Illuminating, Clean Water Action, Sierra Club, and New England Smart Energy Group, available at: [http://www.dpuc.state.ct.us/DEEPEnergy.nsf/\\$EnergyView?OpenForm&Start=13.1.16&Count=30&Expand=13.1&Seq=5](http://www.dpuc.state.ct.us/DEEPEnergy.nsf/$EnergyView?OpenForm&Start=13.1.16&Count=30&Expand=13.1&Seq=5)

<sup>54</sup> See Comment from Home Comfort Practice, available at: <http://www.dpuc.state.ct.us/DEEPEnergy.nsf/c6c6d525f7cdd1168525797d0047c5bf/9207ff43d8d283d2852585f9000c09ab?OpenDocument>

<sup>55</sup> See Energize CT, Home Energy Solutions-Income Eligible 2020 Application Instructions, available at: <https://www.energizect.com/sites/default/files/1-0187%20HES-IE%20Program%20App%202020%20Final%20Web.pdf>



dwelling that affect their level of energy consumption that would otherwise require the consent of a landlord. To do so, the tenant must give written notice of their intent to implement such measures to the landlord by certified mail, return receipt requested. In order to stop measures from moving forward, the landlord must respond with a written notice of disapproval (by the same method) within 20 days.<sup>56</sup>

There is precedent for the practice of requiring landlord approval in other jurisdictions. In Massachusetts, renters are required to get their landlord's permission to receive energy assessments through the Mass Save program. In some cases, the property owner must be the one to apply for the program.<sup>57</sup> Efficiency Vermont, the administrator of the state's energy efficiency programs, requires landlord approval for weatherization services and products.<sup>58</sup> Efficiency Maine, the administrator of the state's energy efficiency programs, limits eligibility in their weatherization programs to homeowners.<sup>59</sup> Renters seeking to participate in NYSERDA's residential energy efficiency programs must obtain permission for their landlord to move forward.<sup>60</sup>

Many tenants, particularly in low-income housing, may have a hard time identifying or contacting their landlord in order to obtain their permission for energy efficiency upgrades, creating a barrier to access. However, removing the property owner agreement might expose the tenant to certain liabilities, especially in the event that significant energy improvements are made, or otherwise jeopardize the landlord-tenant relationship. A key benefit of the property owner agreement is its role in requiring tenants to obtain landlord buy-in to the program. As a result, additional pathways for obtaining landlord buy-in for rental property energy efficiency upgrades are increasingly important.

Compliance Condition No. 6 of the 2021 C&LM Plan Update requires the utilities to develop a proposal for tracking HES and HES-IE visits to rental units that do not proceed due to lack of landlord approval. It also requires the utilities to host roundtables for landlords to better understand this issue.<sup>61</sup>

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<sup>56</sup> See Conn. Gen. Stat. § 47a-13a., available at: [https://www.cga.ct.gov/current/pub/chap\\_830.htm#sec\\_47a-13a](https://www.cga.ct.gov/current/pub/chap_830.htm#sec_47a-13a)

<sup>57</sup> See Mass Save, Renters can be savers with these energy-efficient tips and tricks, available at: <https://www.masssave.com/learn/blog/residential/renters-can-be-savers-with-these-energy-efficient-tips-and-tricks> and Mass Save, Income-Eligible Programs, available at: <https://www.masssave.com/en/saving/income-based-offers/income-eligible-programs>

<sup>58</sup> See Efficiency Vermont, The renters' guide to energy savings, available at: <https://www.efficiencyvermont.com/blog/how-to/the-renter-s-guide-to-energy-savings>

<sup>59</sup> See Efficiency Maine, Weatherization, available at: <https://www.efficiencymaine.com/at-home/weatherization/>

<sup>60</sup> See New York State Energy Research and Development Authority, Home Energy Efficiency Programs, available at: <https://www.nyserda.ny.gov/all-programs/programs/home-energy-efficiency-upgrades>

<sup>61</sup> See DEEP Determination, Approval with Conditions of the 2021 Plan Update to the 2019-2021 Conservation and Load Management Plan, and Approval of the 2020 PMI Adjustment Pro-Ration Modified Approach, March 4, 2021, available at: [http://www.dpuc.state.ct.us/DEEPEnergy.nsf/c6c6d525f7cdd1168525797d0047c5bf/d80f7ae5059c5efc8525868e00598e40/\\$FILE/Determination\\_Approval\\_with\\_Conditions\\_2021\\_Plan\\_Update\\_2020\\_PMI\\_Adjustment\\_\(002\).pdf](http://www.dpuc.state.ct.us/DEEPEnergy.nsf/c6c6d525f7cdd1168525797d0047c5bf/d80f7ae5059c5efc8525868e00598e40/$FILE/Determination_Approval_with_Conditions_2021_Plan_Update_2020_PMI_Adjustment_(002).pdf)

In addition, Governor Lamont has proposed to allocate \$7M of ARPA funding to an Efficient Energy Retrofit for Affordable Housing program to be administered by DEEP.<sup>62</sup> This program would create opportunities for participation in energy efficiency and clean energy programs for people living in affordable housing, improving the energy efficiency of the home and leveraging incentives for rooftop solar and/or storage, electric vehicle charging infrastructure, and electric heat pumps, to further reduce energy bills and provide resilience. Similar programs are currently being considered by the General Assembly. A significant component of such a program would be coordination with housing authorities, landlords and other entities to ensure renters have access to the benefits of energy efficiency and clean energy.

### Summary of Participant comments received through the Proceeding:

- Connecticut law states that tenants are not required to get permission from their landlords in order to access certain measures. Therefore, the property owner agreement portion of the HES-IE application should be removed.<sup>63</sup>
- As part of this Proceeding, DEEP should investigate whether the property owner agreement is in conflict with Conn. Gen. Stat. § 47a-13a.<sup>64</sup>
- Incentivize landlord participation, including (1) providing insulation incentives to landlords for multi-unit buildings and (2) developing “green leases” and other means to reward landlords for investing in these programs without transferring costs to tenants.<sup>65</sup>
- “To serve customers who are renters, it is important for Eversource to continue to engage landlords and property owners/managers with energy efficiency programs. To this end, it is important that Eversource continue to explore rental market and property management events to connect with rental property decision-makers to promote energy efficiency programs.”<sup>66</sup>
- Require landlords that participate in state-funded housing reimbursement programs be required to provide prospective tenants an estimated heating and electrical cost for the property.<sup>67</sup>

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<sup>62</sup> See Governor Ned Lamont, Recommended allocations of federal funds provided under Subtitle M of Title IX of the American Rescue Plan Act of 2021, April 26, 2021, available at: <https://portal.ct.gov/-/media/OPM/Coronavirus/ARPA04262021GovLamontPlan.pdf>

<sup>63</sup> See Comment from Center for Children’s Advocacy, available at:

<http://www.dpuc.state.ct.us/DEEPEnergy.nsf/c6c6d525f7cdd1168525797d0047c5bf/8525797c00471adb852585f8005386a9?OpenDocument>

<sup>64</sup> See Comment from PURA Office of Education, Outreach, and Enforcement, available at:

<http://www.dpuc.state.ct.us/DEEPEnergy.nsf/c6c6d525f7cdd1168525797d0047c5bf/2c54284474486315852585f9000de64a?OpenDocument>

<sup>65</sup> See Comments from Clean Water Action and Energy & Resource Solutions, available at:

[http://www.dpuc.state.ct.us/DEEPEnergy.nsf/\\$EnergyView?OpenForm&Start=1&Count=30&Expand=13.1&Seq=2](http://www.dpuc.state.ct.us/DEEPEnergy.nsf/$EnergyView?OpenForm&Start=1&Count=30&Expand=13.1&Seq=2)

<sup>66</sup> See Comment from Eversource, available at:

<http://www.dpuc.state.ct.us/DEEPEnergy.nsf/c6c6d525f7cdd1168525797d0047c5bf/c91659980a4e1256852585f90050f89c?OpenDocument>

<sup>67</sup> See Comment from Town of Vernon, available at:

<http://www.dpuc.state.ct.us/DEEPEnergy.nsf/c6c6d525f7cdd1168525797d0047c5bf/ea7a55fd29c46641852585f90060b52d?OpenDocument>

- Require an energy-usage baseline be established for these rental properties. This would hold landlord accountable for providing energy efficient rentals. The process could be overseen by a 3rd party reviewer that estimates the costs and develops a baseline.<sup>68</sup>

### DEEP is considering the following actions in relation to Recommendation 8:

- Through the landlord roundtable required by Compliance Condition No. 6 of the 2021 C&LM Plan update, engage with landlords on the benefits of HES and HES-IE and teach them how to participate in the programs.<sup>69</sup>
- Develop an outreach plan that informs renters how to participate in HES and HES-IE programs and their rights and obligations with respect to landlord approval. Renter and landlord outreach could be a component of the utilities' Community Engagement Plan that is currently in development.
- Leverage existing incentives with federal funding and other funding sources as approved to provide a comprehensive approach to energy retrofits for affordable housing.

## V. Conclusion

These Recommendations are the first phase in what will be an evolving and cumulative process to work towards equitable participation in C&LM programs. During the current public comment period that commenced with the release of these Recommendations, DEEP is seeking feedback on the following:

1. How would you prioritize these Proposed Recommendations?
2. Do the Proposed Recommendations cover the most urgent concerns related to equity in energy efficiency?
3. Are there any additional action items that DEEP should consider in connection with the Proposed Recommendations?
4. Are there any groups, communities, or individuals that DEEP should engage with in furtherance of the Proposed Recommendations?
5. With respect to Proposed Recommendations 2 and 3, which of the proposed data points and metrics would be the most effective in assessing equity? Are there other specific data points or metrics that DEEP should consider?

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<sup>68</sup> See id.

<sup>69</sup> See DEEP Determination, Approval with Conditions of the 2021 Plan Update to the 2019-2021 Conservation and Load Management Plan, and Approval of the 2020 PMI Adjustment Pro-Ration Modified Approach, March 4, 2021, available at: [http://www.dpuc.state.ct.us/DEEPEnergy.nsf/c6c6d525f7cdd1168525797d0047c5bf/d80f7ae5059c5efc8525868e00598e40/\\$FILE/Determination\\_Approval%20with%20Conditions%202021%20Plan%20Update%20%202020%20PMI%20Adjustment%20\(002\).pdf](http://www.dpuc.state.ct.us/DEEPEnergy.nsf/c6c6d525f7cdd1168525797d0047c5bf/d80f7ae5059c5efc8525868e00598e40/$FILE/Determination_Approval%20with%20Conditions%202021%20Plan%20Update%20%202020%20PMI%20Adjustment%20(002).pdf)

6. DEEP requests the utilities, EOE, the Center for Children's Advocacy, Connecticut Legal Services, and any other interested stakeholders or participants to please comment on which HES and HES-IE core and add-on services (included as [Attachment A](#)) require affirmative landlord consent by way of an executed Landlord/Tenant Agreement, and which measures only require notice to landlords as described under Conn. Gen. Stat. § 47a-13a. In addition, given that § 47a-13a does not authorize "structural changes", please also comment on which core and add-on services are "structural" and which are "non-structural" in nature. Please include any relevant legal precedent, statutory analysis, or legislative history in your response.

**Written comments may be submitted directly to DEEP at [DEEP.EnergyBureau@ct.gov](mailto:DEEP.EnergyBureau@ct.gov) on or before Friday, June 11, 2021 by 4:00 p.m.**

During the public comment period, DEEP will hold a Public Technical Meeting and a less formal evening session to summarize public comments received, discuss the proposed recommendations, and solicit feedback on process and content for a finalized Phase 1 E3 Determination. Thereafter, DEEP will release a final Phase I E3 Determination and will begin working to implement the associated action items shortly thereafter. DEEP will continue to solicit public input that will inform future phases of this Proceeding.

### **Planned timeline for Phase 1 (subject to change):**

1. Wednesday, May 5, 2021 | **Release Phase I Proposed Recommendations and Begin Public Comment Period**
2. Thursday, May 20, 2021 at 1:00 PM | **Public Technical Meeting** (register [here](#))
3. Thursday, May 27, 2021 at 6:30 PM | **Evening Public Input Session** (register [here](#))
4. Friday, June 18, 2021 | **Deadline for Public Comments**
5. Tuesday July 20, 2021 | **Release Final Phase 1 Recommendations**

DEEP sincerely appreciates the utilities, Energy Efficiency Board, OCC, PURA, energy efficiency vendors, advocacy organizations, and other Participants for their participation and thoughtful feedback during the first phase of this Proceeding.

If you have any questions, please contact Rose Croog, Associate Research Analyst, DEEP Office of Building and Transportation Decarbonization at [rose.croog@ct.gov](mailto:rose.croog@ct.gov).