

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Review of Universal Service and :
Energy Conservation Programs : **Docket No. M-2017-2596907**
 :

COMMENTS OF WEATHERIZATION AND CONSERVATION COLLABORATIVE

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INTRODUCTION

These comments are submitted by the Weatherization and Conservation Collaborative (the “WCC”) as an interested stakeholder pursuant to the Pennsylvania Public Utility Commission’s (the “Commission”) invitation for interested parties to comment upon issues related to Universal Service and Energy Conservation Programs.¹

The WCC’s interest in this proceeding derives from the impact the Universal Service and Energy Conservation Programs have on low-income Pennsylvanians and their ability to reduce or eliminate utility-related causes of housing instability.

The WCC is a collaborative, including various public and private owners, developers, and operators of subsidized multifamily housing; local and state governmental agencies; and several utilities. Previously, the WCC was limited to partners in Philadelphia and was known as the Philadelphia Weatherization and Conservation Collaborative (the "PWCC"). Regional Housing Legal Services (RHLS) was a founding member of the PWCC and served as its coordinator and continues its work by coordinating the WCC.

The WCC brings together practitioners, administrators, and advocates to identify energy-related causes of housing instability and to work toward solutions to those problems. These comments reflect a consensus position among current active participants of the WCC, but do not reflect the position of every agency that has participated in the WCC.

The WCC thanks the Commission for this opportunity to provide these comments.

¹ See Opinion and Order Re: Review of Universal Service and Energy Conservation Programs, Docket No. M-2017-2596907, dated April 6, 2017.

COMMENTS

The WCC applauds the Commission for recognizing the interconnection between the Universal Service and Energy Conservation programs, inviting comments on the two topics together. We believe that the more holistically we view these programs, the better results there will be for ratepayers/taxpayers and for the low-income households these programs are designed to serve.

Program Design & Implementation

The WCC urges the PUC to continue the work of increasing the integration between existing programs and removing barriers to PUC-regulated programs coordinating with other programs targeting the same population on similar issues.

Holistic Approach; Program Integration

While the PUC is responsible only for those programs and utilities over which it has statutory authority, the PUC can require programs to be designed and implemented in a way that recognizes the existing contexts in which the Universal Services programs operate -- especially with respect to low-income consumers who may be beneficiaries of these programs and similar programs operated by other entities.

The PUC has already made significant strides in recognizing the position of subsidized rental housing in Pennsylvania -- building into the Act 129 program an understanding of the housing systems and encouraging utilities to reach out to key partners, like the Pennsylvania Housing Finance Agency, to make the two systems work together. We urge the PUC to continue this work and to pay special attention to providing resources to subsidized multifamily

developments that are aging-out of their subsidies, especially those developments that are helping very low-income and vulnerable populations.

The Universal Services programs touch households facing crisis as well as those who experience chronic poverty. It is important that these programs work with other programs that seek to provide safety net services -- and make sure that any program changes do not unintentionally harm the existing safety net.

One area where there appears to be some unintended harm to the social safety net is the trend over time for some utilities to reduce their work with Community Action Programs ("CAPs"), diverting the work to private companies. The PUC has an obligation to "encourage the use of community-based organizations that have the necessary technical and administrative experience to be the direct providers of services or programs which reduce energy consumption or otherwise assist low-income ... customers to afford ... service." 66 Pa.C.S. sec. 2203(8) and 66 Pa.C.S. sec. 2804(9). While it may be true that private companies can provide services in an efficient manner, it also appears to be the case that they provide services to the easiest customers and refer those that are more challenging back to the CAPs. With decreased resources the CAPs are frequently unable to respond, and the safety net is weakened.

WAP & Act 129

We applaud the PUC's agreement to work with the Department of Community and Economic Development ("DCED") and share data and analyses related to each agency's weatherization programs. This is precisely the kind of coordination that can lead to more efficient use of taxpayer and ratepayer dollars, while also improving outcomes for low-income households. We urge the PUC to work with DCED to understand the scope of weatherization deferrals due to problematic conditions in the home. We believe the problem to be significant

across the state, and to disproportionately fall upon households with other complicating issues -- like age, disability, and health issues.

A majority of these WAP “deferrals” (i.e. “rejected households”) have roof leaks, plumbing leaks, and other major home repair problems that must be addressed in order to qualify for weatherization, either through the WAP or the utility programs. These low-income households tend to be high energy users because their homes are in such deteriorated conditions. If these households are on the CAP program, they will continue to be subsidized by ratepayers, even though they cannot qualify for weatherization. Often times they are also suffering from asthma or other respiratory condition, and experiencing high healthcare costs directly related to their unresolved housing problems. Addressing these cases rather than continuing to walk away from them will not only save energy, but may preserve affordable housing units, reduce health care costs, reduce CAP subsidies, and improve quality of life. Coordination between WAP and utility conservation programs is essential. DCED is scheduled to launch a Weatherization Plus Health pilot program next year as part of the LIHEAP WAP program. The PUC should require utilities to coordinate with these efforts statewide and to assist in their evaluation.

Many of the CAP agencies also serve as the local WAP provider. Given that WAP effectively requires third-party funding and that some CAPs are getting less utility-related funding than they used to, it is important to think through the indirect impact the PUC's policies have on the health of these system partners.

Medical Waivers

The WCC urges the PUC to modify its medical waiver system to eliminate the need to provide monthly recertifications for persons who are experiencing serious, chronic conditions. For persons facing serious, chronic conditions, the additional burden of getting monthly

certifications is significant. We urge the PUC to identify serious, chronic conditions for which a year-long waiver could be granted.

Emergency Funds

The WCC urges the PUC to explore ways to increase advertising of the option for consumers to donate to hardship funds. Many consumers are unaware of this option.

Fuel Neutrality

We urge the PUC to move toward fuel-neutrality in its Act 129 program, so that utilities are incentivized to do more comprehensive weatherization work. In addition to reducing logistical issues for consumers and improving overall utility usage, this move will likely be of benefit to the utilities as they work to meet long-term goals under Act 129 after taking advantage of the "low-hanging fruit." However, we caution that a move to fuel neutrality should be carefully managed so as not to further exacerbate the weakening of the social safety net and the capacities of the CAPs, as discussed above.

Defacto/Hazard Heating

The loss of a primary heating source, whether it is a gas disconnection or the inability of many people in rural parts of the state to afford oil heat throughout the winter creates a situation where far too many must rely on electric space heaters, kerosene heaters, and other unsafe heating methods. We strongly urge the PUC to allow fuel switching in its programs where low-income households are relying on expensive or unsafe heating sources.

Reporting & Evaluation

Affordable Energy Burden

We strongly applaud the initiation of "a study to determine what constitutes an affordable energy burden for Pennsylvania's low-income households" and using the results from the study a determination of whether any changes are needed to bring CAP or other Universal Service and Energy Conservation Programs "into alignment with any affordability recommendations."

For decades the standard for affordability for housing has been that a household should not pay more than 30% of its monthly income on housing and utilities together. In every part of the state there are large numbers of households paying significantly more than this amount -- in housing costs alone. The problem of poverty and lack of housing affordability is large. We do not expect the PUC or the utilities alone to be able to fully address the issue. However, there are two key steps the PUC can take on this issue. First, take steps to lower CAP rates to a number that is affordable for low-income households - we recommend 6%. Second, continue developing partnerships with affordable housing program administrators and providers and other social services providers, who are working toward addressing the needs of the low-income population targeted by the Universal Services and weatherization programs.

Data Accessibility

We urge the PUC to consider having future reports that contain a significant amount of data, such as the annual Universal Services report, formatted in a way that will more easily facilitate data analysis and comparison of results from previous time periods. The current practice of releasing the reports as PDFs has significant drawbacks in terms of making the data in the reports accessible for analysis.

CONCLUSION

In conclusion, the WCC thanks the Commission for the opportunity to submit these comments and encourages the Commission to continue to work toward increase integration between the low-income programs that the Commission oversees as well as other federal, state, and local programs targeting the same population on related issues.

Respectfully submitted,

A handwritten signature in blue ink that reads "Rachel Blake". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

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