

**STATE OF NEW YORK
PUBLIC SERVICE COMMISSION**

Case 07-M-0548- EEPS Proceeding

July 25, 2007

Apollo Alliance Response to the ALJ's Questions to All Parties

The Apollo Alliance hereby submits comment on Judge Stein's questions to all parties, Dated June 22, 2007.

Question 1. Can you please identify any inventories in New York State of existing building stock, appliances and fixtures that might be used to identify and target efficiency opportunities?

The Apollo Alliance believes that the Energy Efficiency Portfolio Standard will be of greater value and certainty if it serves multiple policy objectives. To that extent, we recommend aggressively targeting the low income building stock.

Energy costs burden the low income population disproportionately. The Department of Energy estimates that low income ratepayers spend 14% of their incomes on energy costs on average.¹ State or federal energy policies could exacerbate this burden. For instance, utility efficiency programs might inadvertently increase rates over the short term, depending on method of cost recovery. Similarly carbon abatement policies circulating in US Congress might also raise the energy burden for the state's elderly and poor. The Apollo Alliance does not oppose utility efficiency programs or climate strategy. Instead, we suggest that the low income building stock be central to any efficiency initiative.

New York's housing stock is older than the national average. Roughly 74% of the state's housing was built before 1970. Low income individuals are more likely to live in these older units. New York has already weatherized 490,000 of these structures since 1977. Even so, the state estimates that over 2.6 million households qualify for assistance.² Assuming that weatherization measures have a 20 year average lifetime, many prior projects might also be due for maintenance. The US Census Bureau indicates where many of these opportunities exist. According to the Bureau's American Housing Survey, areas such as Bronx County, Kings County, New York County and Queens County have higher numbers of homes in moderate or severe physical disrepair.³ These traits suggest an older, inefficient stock of buildings which should be explored for efficiency opportunities.

¹ Department of Energy. <http://www.eere.energy.gov/weatherization/improving.html>

² New York State Division of Housing and Community Renewal Office of Community Development. New York State Weatherization Assistance Program: Program Year 2007 State Plan.

³ American Housing Survey for the New York-Nassau-Suffolk-Orange Metropolitan Area. US Department of Housing, 2004.

As noted, prioritizing the low income segment would satisfy multiple state objectives. On average, weatherization reduces heating bills by 31%.⁴ To that extent, it would provide economic assistance to the poor, disabled and elderly. Additionally low income weatherization would serve an economic development function. DOE estimates that as much as 80% of energy expenditures leave low income neighborhoods.⁵ Improving the state's low income inventory will recapture some of this spending within the immediate community. Moreover, weatherization creates roughly 52 jobs for every \$1 million in federal funding. Expanding these initiatives could create jobs in New York's disadvantaged communities.

Question 3. Can you please identify any specific energy efficiency programs targeted to existing building stock, appliances and fixtures rather than to new construction? If possible, provide a description, cost per MWh or Decatherm, and total resource cost test score for each such program.

Training programs educate building operations and maintenance staff in energy management. These programs are important because poorly operated buildings will not realize their efficiency potential. Towards that end, training programs address HVAC systems and controls, efficient lighting, whole building design, and environmental regulations. This is increasingly important as building systems become more sophisticated. Additionally, these programs train individuals in residential auditing and weatherization procedures. Increasing this technical workforce is essential if New York seeks to aggressively expand low income energy efficiency.

Several organizations already provide these services in New York. The Association for Energy Affordability, for instance, provides training and certification in building operations and building analysis. Moreover, it trains individuals to audit and weatherize buildings in low income communities. Funding these and other training programs to match New York's ambitious efficiency agenda will allow the state's building owners to save more energy while developing a skilled workforce.

Question 4. Can you please identify any specific energy efficiency programs targeted to participants lacking available capital to invest in energy efficiency measures? If possible, provide a description, cost per MWh or Decatherm, and total resource cost test score for each such program.

Several programs already provide low income efficiency. We make no technical assessment of the following programs. Rather, we simply bring them to your attention for consideration.

New York State Weatherization Program

⁴ Department of Energy. <http://www.eere.energy.gov/weatherization/>

⁵ Department of Energy. <http://www.eere.energy.gov/weatherization/improving.html>

New York's weatherization program provides basic efficiency services to low income households. These measures include weather stripping, insulation, and heater repair, cleaning and replacement.

The Assisted Home Performance Program

The Assisted Home Performance Program subsidizes low-income energy efficiency measures by up to 50%. Single-family homeowners qualify for grants of up to \$5,000. Income eligible owners of 2-4 unit structures can receive up to \$5,000 for the whole building without any income verification required for the tenants. Up to \$10,000 per building may be available if tenants also are low income.

Empower New York

EmPower New York makes energy efficiency improvements in the residential sector with particular focus on lighting and refrigerator replacements. Cost-effective measures such as insulation are covered as well. There is no cost to income qualified customers for these efficiency improvements.