



**FINAL DETERMINATION**

**Equitable  
Energy  
Efficiency**

**E3**

**Phase I Goals and Actions**

**Prepared by Connecticut DEEP's Bureau of Energy and Technology Policy**

**Phase I Final Determination**

**Released July 21, 2021**

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## Introduction

On September 3, 2020, the Department of Energy and Environmental Protection (DEEP) launched the Equitable Energy Efficiency (E3) Proceeding with a goal of defining equity in the context of the state’s ratepayer-funded energy efficiency programs (Conservation and Load Management or C&LM programs), 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>

On May 5, DEEP issued a Draft Determination proposing Recommendations and Actions to advance the E3 Proceeding’s purpose.<sup>2</sup> The issuance of the Draft Determination marked the start of a public comment period, which included two public meetings to collect feedback from interested parties.<sup>3</sup> A full account of public comments received in Phase I of this Proceeding , in addition to a goal-by-goal summary of changes

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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 DEEP Notice and Request for Public Comment: Equitable Energy Efficiency Proceeding Phase I Proposed Recommendations and Actions and Release of the 2018 Equitable Distribution Report, May 5, 2021, *available at*: <https://portal.ct.gov/-/media/DEEP/energy/ConserLoadMgmt/Notice-of-Phase-I-Recommendations.pdf>.

<sup>3</sup> DEEP held a Public Technical Meeting on May 20, 2021 and a Public Input Session (with Spanish translation available) intended for a broader audience on May 27, 2021. For recordings and materials from public meetings, See Equitable Energy Efficiency (E3) webpage, *available at*: <https://portal.ct.gov/DEEP/Energy/Conservation-and-Load-Management/Equitable-Energy-Efficiency>.

made between the draft and final determination, is attached to this Determination as [Appendix A](#). This Determination synthesizes that feedback to put forward Goals and Action items for the first phase of this Proceeding. Progress on these Goals and Action Items in the [E3 Phase 1 Progress Report](#) will be released quarterly.

Energy efficiency program administrators have been working through parallel processes, such as the annual C&LM Plan Updates and three-year planning, 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 processes 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.

## Core Concepts of Equity and Vision Statement

This Proceeding and the resulting Phase I Goals and Actions 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>4</sup>

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 with low-income communities 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 Goals and Actions incorporate some of these concepts, and future phases of this Proceeding will be designed to advance distributive, procedural, contextual, and corrective equity.

### Vision Statement for Equity in Energy Efficiency

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.

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<sup>4</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).

*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:*

- *Alleviate high energy burdens for low-income and underserved households*
- *Recognize and remediate past harm by prioritizing historically under-resourced communities*
- *Mitigate and eliminate barriers to low- to moderate-income participation in energy efficiency programs*
- *Drive accessible and transparent process to incorporate residents' priorities and lived experiences into program design and decision-making*
- *Ensure equitable access to the benefits of energy efficiency*

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.

## Scope and Process of Proceeding

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 Goals 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 before releasing a Final Determination either adopting, modifying, or rejecting the Proposed Goals and Actions after the conclusion of the public comment period.

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.

## Phase I Goals 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 following eight goals contain a series of specific actions intended to drive the achievement of each goal.

## Goal 1: Embed greater equity in decision-making

### Actions

#### 1.1 Direct the EEB to develop a plan to hire a Diversity, Equity, and Inclusion Consultant

Achieving equitable energy efficiency programs 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 diversity, equity, and inclusion Consultant (DEI Consultant) would provide an objective and expert view of Connecticut's energy efficiency programs and potential improvements.

The DEI Consultant could be contracted through the EEB with a planned start date in January 2022. 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.

DEEP will work with the EEB to develop a request for proposals (RFP) for the DEI Consultant. There will be an opportunity for public comment on a draft RFP before it is finalized. In accordance with EEP Operating Procedures, the EEB will issue the RFP, the Consultant Committee will conduct the RFP process, and the full EEB will vote to approve the final Consultant selection.

#### 1.2 Solicit nominations for board membership in a more inclusive manner to increase board diversity.

In keeping with DEEP's Environmental Equity Policy,<sup>5</sup> DEEP is currently developing a process to solicit nominations for board membership in a more inclusive manner to increase board diversity. In 2021, DEEP will begin a new process of recruiting new Board members that includes a public Notice of Vacancies and application process.

The passage of S.B. 856, *An Act Increasing Representation on the Energy Conservation Management Board*, adds two additional seats to the EEB for low-income and municipal representatives.<sup>6</sup>

## Goal 2: Enhance tracking of equity indicators in C&LM programs

### Actions

#### 2.1 Work with the utilities to assess - retrospectively and moving forward - the extent to which priority communities are served by energy efficiency programs.

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<sup>5</sup> See DEEP, Environmental Equity Policy, available at: <https://portal.ct.gov/DEEP/Environmental-Justice/Environmental-Equity-Policy>.

<sup>6</sup> See Public Act No. 21-139 An Act Increasing Representation on the Energy Conservation Management Board, available at: <https://www.cga.ct.gov/2021/ACT/PA/PDF/2021PA-00139-R00SB-00856-PA.PDF>.

The goal of this process is to determine if certain priority communities are underserved by energy efficiency programs. These groups include:

- **Household with energy burdens greater than 6 percent**

**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>7</sup>
- **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>8</sup>
- **Areas with high rates of arrearages and utility shutoffs**

This could be accomplished with the creation of 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.**

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 underserved members of the communities within those census tracts. 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.

**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 groups, particularly communities of color,<sup>9</sup> studies have also demonstrated that census-level data can, in general, capture household-level results.<sup>10</sup> Further, household-level demographic data obtained from third parties suffer from inaccuracies and verification

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<sup>7</sup> See U.S. Department of Energy, Low-Income Energy Affordability (LEAD) Tool, available at: <https://www.energy.gov/eere/slsc/maps/lead-tool>.

<sup>8</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>9</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>10</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).

challenges.<sup>11</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.

## **2.2 Update the Equitable Distribution Report to make equity data accessible to a wider audience.**

Pursuant to C.G.S. §16-245ee, each utility 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). DEEP is required to annually evaluate whether small load customers in distressed census tracts have received investment and services from the C&LM Plan commensurate with the financial contributions of those customers through the surcharges on their utility bills.<sup>12</sup> The 2018 Equitable Distribution Report was released along with the draft Phase I Determination for this Proceeding with a request for public comments providing feedback on how future reports could be improved.<sup>13</sup> DEEP will incorporate feedback received through the public comment process into the 2019 and 2020 Equitable Distribution Reports by: 1) structuring the reports to be more accessible and available to a wider audience, and 2) incorporating additional reporting on the equity indicators described above.

## **Goal 3: Develop metrics and goals to assess equitable distribution of energy efficiency funding**

### **Actions**

#### **3.1 Broaden the current MPP metric to potentially cover medical and financial hardship customers, and include more ambitious targets to scale up the percentage of participating customers on an annual basis.**

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 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

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<sup>11</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>12</sup> See Conn. Gen Stat. § 16-245ee.

<sup>13</sup> See DEEP Notice and Request for Public Comment: equitable Energy Efficiency Proceeding Phase I Proposed Recommendations and Actions and Release of the 2018 Equitable Distribution Report, May 5, 2021, available at: <https://portal.ct.gov/-/media/DEEP/energy/ConserLoadMgmt/Notice-of-Phase-I-Recommendations.pdf> and DEEP 2018 Equitable Distribution Report, available at: <https://portal.ct.gov/-/media/DEEP/energy/ConserLoadMgmt/2018-EQD.pdf>.

<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/DEEP/energy.nsf/c6c6d525f7cdd1168525797d0047c5bf/d80f7ae5059c5efc8525868e00598e40/\\$FILE/Determination\\_Approval\\_with\\_Conditions\\_2021\\_Plan\\_Update\\_2020\\_PMI\\_Adjustment\\_\(002\).pdf](http://www.dpuc.state.ct.us/DEEP/energy.nsf/c6c6d525f7cdd1168525797d0047c5bf/d80f7ae5059c5efc8525868e00598e40/$FILE/Determination_Approval_with_Conditions_2021_Plan_Update_2020_PMI_Adjustment_(002).pdf).

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 Public Utilities Regulatory Authority's (PURA) Grid Modernization Docket 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.<sup>16</sup> A more inclusive approach might include customers enrolled in the financial and medical hardship programs separately. DEEP will work with the utilities, EEB, and consultants, including the DEI Consultant, to explore broadening this metric for future program years, as the MPP metric is already in place for 2021.

### **3.2 Establish a baseline E3b level for Eversource and United Illuminating based on the most recent available data and establish a goal of at least maintaining the E3b figures for each utility on an annual basis.**

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>17</sup> In the university's accompanying multi-state analysis of equity in energy efficiency investments, Connecticut performed well on the E3b metric, achieving 94 to 116% investment at the equitable spending level (relative to a 100% goal based on qualified low-income population and total annual investment in residential programs) since 2012.<sup>18</sup> Evaluating performance based on the E3b metric over time provides a method for further assessing equitable distribution of funds, although it is limited to low-income. This metric will be reported on in the annual Equitable Distribution Reports.

### **3.3 Based on the analysis of equity indicators described in Goal 2, and in consultation with the DEI Consultant, DEEP may recommend the development of new equity metrics**

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

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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 PURA Equitable Modern Grid Docket No. 17-12-03, *available at*: <https://portal.ct.gov/PURA/Electric/Grid-Modernization/Grid-Modernization>.

<sup>17</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>18</sup> See *id.*

utilities to expend the HES-IE budget; however, these metrics alone may not be sufficient to ensure equity.

Based on the outcome of the analysis described in Recommendation 2, Action 1, DEEP may work with the EEB and utilities to develop new metrics for communities that have been identified as underserved. To the extent possible, these metrics would align with the three-year C&LM Plan terms and annual update process. Progress on these metrics would be shared regularly through C&LM reporting and E3 Progress Reports.

## Goal 4: Improve program participation and impacts among moderate-income customers

### Actions

#### 4.1 Develop a definition of "moderate income"

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.

Based on feedback received during the Phase I public comment process, DEEP has developed the following definition of moderate income.

*In the context of the Conservation and Load Management (C&LM Plan), customers are considered "moderate income" if their household income is at or below 80 percent of the state median income (SMI) and greater than 60 percent SMI. At or below the 60 percent SMI threshold, a customer is considered low income.*

While this definition cannot fully capture individual households' financial situations, SMI is regularly updated and available source of data that aligns with existing energy efficiency and other state programs. Additional eligibility pathways are available for households that do not fall into these definitions of low and moderate income (further described in Goal 5, below).

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<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>.

#### **4.2 Assess moderate income program participation using the agreed-upon definition.**

With assistance from the utilities, DEEP will retroactively assess moderate-income participation, using the agreed-upon definition, in the 2019 and 2020 Equitable Distribution Report. Based on the outcome of that assessment, DEEP will work with the EEB, utilities, and other interested parties to explore adjustments to incentive structures to increase participation among this customer class. This could include extending certain low-income incentives to moderate income customers or creating tiered incentive structures that provide moderate income households with increased incentives for HES services.

## **Goal 5: Streamline the eligibility process for low-income programs**

### **Actions**

#### **5.1. Streamline eligibility based on participation in other state assistance programs through multi-lateral data-sharing across multiple state agencies and departments**

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 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.

#### **5.2 Hold a series of workshops with adequate representation to explore additional avenues for streamlining eligibility**

Customers are eligible for the HES-IE program if they meet any of the following eligibility criteria:<sup>22</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.

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<sup>22</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>.

- 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>23</sup>
- Automatic qualification for census tract where 80 percent of households are at or below 60 percent of the state 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.

Hosting workshops to address this issue would help to better characterize barriers associated with understanding, demonstrating, and verifying program eligibility requirements. These workshops will be structured to ensure adequate representation from underserved communities and utilize best practices for engagement, including those used in PURA Docket 17-12-03RE01, PURA Investigation into Distribution Planning of the Electric Distribution Companies-Energy Affordability.

### **5.3 Develop a tool with strong consumer protections that allows vendors to easily identify eligible customers by address to support verification and marketing activities.**

The utilities are currently in the process of developing a Low Income Qualification Tool (LINQ) that vendors can use to qualify and identify eligible customers by address. The LINQ tool has the ability to provide mailing lists to vendors so they can directly market to customers currently on the Companies' payment and arrearage forgiveness programs. This tool also has US Census tract data built in; allowing the Companies and vendors to target distressed and Environmental Justice communities. The LINQ tool can easily identify customers who live in a distressed census tract, expediting approval into the HES-IE program.<sup>24</sup>

## **Goal 6: Improve outreach to high-need or high-impact populations**

### **Actions**

#### **6.1 Develop community engagement practices that align with the goals outlined in this Proceeding and the C&LM Plan.**

The utilities are in the process of developing a Community Partnership for Energy Efficiency Engagement Initiative, which will provide resources for community organizations to conduct outreach at the local level. This Initiative aims to work within the existing network of community organizations to reach underserved municipalities and sub-populations. DEEP will

<sup>23</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>.

<sup>24</sup> See Comments from the Utility Companies, June 18, 2021, available at: [http://www.dpuc.state.ct.us/DEEPenergy.nsf/c6c6d525f7cdd1168525797d0047c5bf/0cf940288637db41852586f8006bf809/\\$FILE/Utility%20Companies%20Joint%20Comments.pdf](http://www.dpuc.state.ct.us/DEEPenergy.nsf/c6c6d525f7cdd1168525797d0047c5bf/0cf940288637db41852586f8006bf809/$FILE/Utility%20Companies%20Joint%20Comments.pdf).

support the utilities in their delivery of this engagement model and expects the DEI consultant to review and advise on this Initiative to ensure that it aligns with the following goals and principles:

- a) Utilize organizations with existing ties to the community to perform community engagement and outreach, while keeping in mind the resources and needs of these groups
- b) Encourage public participation and engagement opportunities through incentives and leverage additional means of communication, including social media, billboards, in-person events, and others to make program information more widely available
- c) Consider specific customer segments to target with marketing and outreach activities

Improving outreach to underserved populations will be a long-term, iterative process requiring continued collaboration with the utilities, vendors, community members, EEB, and other interested/impacted parties. Outreach efforts should build on Goals 2 and 3 above to target populations identified as underserved.

## **6.2 Develop a checklist to ensure that opportunities for public participation are widely shared and accessible to a diverse group of stakeholders.**

With the core concept of procedural equity in mind, DEEP will develop a process to increase access to and engagement with public participation processes. This will 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.

## **Goal 7: Address health and safety barriers to low-income weatherization access**

### **Actions**

#### **7.1. Work with the Connecticut Green Bank to explore improved financing options for HES and HES-IE customers to access interest-free financing for health and safety barrier mitigation.**

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>25</sup> Smart-E Loans offer no money down, low-interest financing options for energy efficiency improvements. 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

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<sup>25</sup> See Connecticut Green Bank, Smart-E Measures, available at: <https://ctgreenbank.com/wp-content/uploads/2020/09/Smart-E-Eligible-Measures-V081020.pdf>.

debt-to-income screening is waived for borrowers with a FICO scores of 680 or higher.<sup>26</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>27</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.

## **7.2 Develop a DEEP-administered program with supplemental funding sources to remediate health and safety barriers to weatherization in low-income homes.**

Between 2017-2019, 9 percent of HES participants and 23 percent of HES-IE participants had a health and safety hazard, such as mold, asbestos, pests, or structural issues<sup>28</sup> that prevented weatherization.<sup>29</sup> Low- and moderate-income communities are disproportionately barred from accessing weatherization programs, as health and safety hazards tend to be more prevalent in low-income housing.<sup>30</sup>

Following workshop discussions led by the EEB to address home health and safety barriers, 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 development program is underway as DEEP collaborates with DSS, the utilities, and energy efficiency vendors to ensure effective program design.

In addition, the Connecticut General Assembly created an energy efficiency retrofit grant program to be administered by DEEP.<sup>31</sup> Under this program, grants can be made for energy efficient upgrades to affordable housing, which upgrades can include the mitigation of health and safety hazards including, but not limited to, gas leaks, mold, vermiculite and asbestos, lead and radon, to the extent such hazards impede the installation of energy efficiency upgrades and weatherization measures." Governor Lamont recommended the allocation of, and the Connecticut General Assembly approved, \$7M of federal American Recovery Plan Act (ARPA) funding for this program.<sup>32</sup>

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<sup>26</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>27</sup> See *id.*

<sup>28</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>29</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>.

<sup>30</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>31</sup> Public Act 21-48, *An Act Establishing an Energy Efficiency Retrofit Grant Program for Affordable Housing*.

<sup>32</sup> Sec. 41 of special act 21-15, *An Act Concerning the State Budget for the Biennium Ending June Thirtieth, 2023, and Making Appropriations Therefor, and Making Deficiency and Additional Appropriations for the Fiscal Year Ending June Thirtieth, 2021* as amended by Sec. 306 of public act 21-2 of the June 2021 special session, *An Act Concerning Provisions Related to Revenue and Other Items to Implement the State Budget for the Biennium Ending June 30, 2023*.

## Goal 8: Address and remove barriers to participation among renters

### Actions:

#### **8.1 Engage with both landlords and renters on the benefits of HES and HES-IE and teach them how to participate in the programs.**

Landlord outreach is currently underway through the utilities' series of Landlord Roundtables, which aim to better understand barriers to participation among the landlord customer segment. Effective landlord engagement recognizes the needs and concerns of different types of landlords (i.e. large property management companies vs. single-family property owners, luxury vs. low-income properties, etc.). DEEP will support the utilities in their plans to convene additional Landlord Roundtables and explore additional landlord outreach strategies.

Similarly, effective renter outreach recognizes the many different types of renters and seeks to understand their unique situations. Providing renters with information about how to participate in programs and their rights and obligations with respect to landlord approval will be critical components of this outreach. The outreach plan described in Goal 6 above should contain strategies specifically for landlords and renters (and the various segments therein).

#### **8.2 Leverage existing incentives with federal funding and other funding sources as approved to provide a comprehensive approach to energy retrofits for affordable housing.**

The DEEP energy efficiency retrofit grant program established pursuant to Public Act 21-48 not only addresses health and safety barriers in affordable housing, but also provides for grants for a wide range of energy efficiency and clean energy programs for affordable housing. In June 2021, Governor Lamont's proposal was adopted as a part of the biennial state budget for fiscal years 2022 and 2023. This program provides opportunities to leverage incentives for participation in upgrades ranging from installation of solar photovoltaic panels, energy storage systems, heat pumps, and electric vehicle charging infrastructure. These upgrades will help to further reduce energy bills and provide resilience. 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. Similar to the health and safety barrier component of the energy efficiency retrofit grant program, the Connecticut General Assembly allocated \$7 million dollars overall to this new program.<sup>33</sup>

#### **8.3 Maintain the landlord agreement in the interim as the utilities gather data on rental units that do not proceed due to lack of landlord approval.**

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<sup>33</sup> Sec. 41 of special act 21-15, *An Act Concerning the State Budget for the Biennium Ending June Thirtieth, 2023, and Making Appropriations Therefor, and Making Deficiency and Additional Appropriations for the Fiscal Year Ending June Thirtieth, 2021* as amended by Sec. 306 of public act 21-2 of the June 2021 special session, *An Act Concerning Provisions Related to Revenue and Other Items to Implement the State Budget for the Biennium Ending June 30, 2023*.

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>34</sup> C.G.S. § 47a-13a states that a tenant may implement or authorize the implementation of "non-structural" measures in their 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. To prevent measures from moving forward, the landlord must respond with a written notice of disapproval (by the same method) within 20 days.<sup>35</sup>

There is precedent for the practice of requiring landlord approval in other jurisdictions. For example, in Massachusetts, New York, and Vermont, renters are required to get their landlord's permission to receive energy assessments, or weatherization services and products.<sup>36</sup> Efficiency Maine limits eligibility in their weatherization programs to homeowners.<sup>37</sup>

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>38</sup>

As stated above, Conn. Gen. Stat. § 47a-13a allows tenants to implement "non-structural" energy saving measures without affirmative landlord consent. Through the Contractor Technical Advisory Committee, DEEP consulted HES(-IE) contractors to assess whether HES(-IE) core services typically require structural changes. Feedback from contractors suggests that (1) blower-door guided air sealing and duct sealing (fundamental components of the HES visit) often require structural changes (2) add-on measures such as efficient window replacements, appliance upgrades, and HVAC system upgrades almost always require structural changes (3) errors can occur during work performance, or the landlord may simply not like some of the weatherization measures, which can leave a tenant vulnerable to security deposit retention.

With this feedback from contractors, who have deep familiarity with the specifics of implementing HES(-IE) in mind, DEEP proposes maintaining the landlord agreement in the interim and re-assessing potential mitigation steps once the extent of the landlord agreement impacts is better understood.

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<sup>34</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>.

<sup>35</sup> See Conn. Gen. Stat. § 47a-13a.

<sup>36</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>37</sup> See Efficiency Maine, Weatherization, available at: <https://www.efficiencymaine.com/at-home/weatherization/>.

<sup>38</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).

## Conclusion

These Actions are the first phase in what will be an evolving and cumulative process to work towards equitable participation in C&LM programs. 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.

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