

BOOSTING LOW-INCOME ENERGY EFFICIENCY

Laying the Groundwork for Effective Programs and Policies

October 2016

Support for an Under-Developed Resource

Income-qualified energy assistance programs have been around in various forms for a long time, but only recently has the push for a more comprehensive and sustainable approach—namely, low-income energy efficiency programs—gained traction. In addition to helping low-income households manage rising energy costs, well designed low-income energy efficiency programs provide the following benefits:



**Customer Equity
and Affordability**



**Reductions in Taxes and
Ratepayer Costs**



**Attainment of Energy and
Climate Goals**

With the growing emphasis on energy efficiency policies that emphasize the importance of equity, the tide is turning. The U.S. Environmental Protection Agency's Clean Energy Investment Program (CEIP) provides a clear signal and incentive to drive change in the existing low-income energy efficiency program landscape. As currently defined, CEIP will provide states with double the incentives for energy efficiency as for renewable energy projects—but only for programs targeted at low-income communities. While the Clean Power Plan for which the CEIP was designed is presently on hold, EPA released further details on the design and allocation of CEIP incentives on June 30, 2016 and is accepting comments on these details through November 1, 2016.

Led by a former utilities commissioner, Synapse's nationally recognized energy efficiency team has deep expertise with energy efficiency policies and programs in all 50 U.S. states, the District of Columbia, and six Canadian provinces. Our extensive research and experience with existing programs across the country reveals that targeted low-income programs are frequently missing altogether, too underfunded to reach all potential participants, or poorly designed such that they cannot capture all of the cost-effective savings opportunities.

Opportunities for Future Research

At Synapse, we are committed to using our tools and technical expertise to support and advance low-income energy efficiency efforts. Interested in working with Synapse on these endeavors? Get in touch! We want to hear about your work and ideas. You can reach us at jkallay@synapse-energy.com or anapoleon@synapse-energy.com. Here are some of the opportunities for research and collaboration we would love to tackle:



Creating a low-income-focused handbook for states and state regulators on key low-income energy efficiency issues and solutions.



Researching and advocating for methods to equitably allocate funds from the sales of CEIP allowances to provide ongoing funding streams to support low-income energy efficiency efforts.



Developing a rate and bill impact and customer participation model that can be used by all states to better understand the impact of ramping up energy efficiency programs on customers, including low-income customers.



Providing more support to states on longer-term low-income energy efficiency target setting and on program designs to achieve these targets.



Helping states use our Clean Power Plan Planning Tool (CP3T) to develop low-income energy efficiency spending and savings targets.

Accelerated growth of low-income energy efficiency will take a concerted and sustained effort to remove barriers at the national, state, and utility levels. Synapse has been working on all three fronts to make data more interconnected and transparent, promote policies that address equity issues, and support best practice low-income energy efficiency program designs.

NATIONAL LEVEL



We participate in working groups, including the Steering/Advisory Committee for the development of the National Energy Efficiency Registry (NEER), to support the inclusion of low-income savings data.



We research the current landscape of energy efficiency efforts, including ratepayer-funded low-income energy efficiency programs. We compiled an extensive dataset on existing low-income energy efficiency program savings and costs relative to state poverty rates and used it to identify opportunities. We presented our findings from this research at the [ACEEE Summer Study Conference](#).

STATE LEVEL



We develop and adapt spreadsheet tools to help states with long-term planning. We expanded the functionality of EPA's [Energy Efficiency Savings Tool](#) within our [Clean Power Plan Planning Tool](#) (CP3T) so users can set energy efficiency savings trajectories for the low-income sector and translate these savings into CEIP credits.



We provide free webinar and [blog resources](#) for the public, including regulators and commissioners, consumer advocates, energy efficiency stakeholders, state energy departments, and states. We developed webinars with a focus on the [Clean Power Plan](#), [environmental justice](#), and [CEIP](#).



We ensure decision-makers have the right information for energy efficiency regulatory proceedings. We are spearheading a working group to develop an updated [national model for a standard approach](#) to energy efficiency cost-effectiveness screening. We are also improving the way [rate impact analyses](#) are conducted by incorporating [bill impacts and customer participation](#), thereby fostering a longer-term, more comprehensive understanding of customer impacts.

UTILITY PROGRAM ADMINISTRATOR LEVEL



We provide analysis and expert testimony on program design for jurisdictions. For a discussion on strategies for low-income programs, see our testimony for the [Nova Scotia Utility Review Board](#) on best practices in program design, delivery, and reporting and our program review for the [Ontario Energy Board](#). Also see our recent [testimony in South Carolina](#) on the need to provide energy efficiency access to allow ratepayers—low-income customers in particular—to manage their energy bills.

Synapse Energy Economics, Inc. has provided research and consulting on energy, economic, and environmental topics to clients throughout North America since 1996.

For more information on low-income energy efficiency topics, contact: Jennifer Kallay at jkallay@synapse-energy.com or Alice Napoleon at anapoleon@synapse-energy.com.