

Memo

Date: July 19, 2021

From: Board Chair Hannah C. Coman, Clean Energy Advisory Board

To: Clean Energy Advisory Board

Subject: Consultations with Investor-owned Utilities on LMI Customers Opportunities to Lower Electric Bills through Access to Solar Energy

The Virginia Clean Economy Act requires “That each investor-owned utility shall consult with the Clean Energy Advisory Board established by Chapter 554 of the acts of Assembly of 2019 **in how best to inform low-income customers of opportunities to lower electric bills through access to solar energy.**”

The Board met with representatives from Dominion Energy in the fall of 2020. The Board plans to meet with representatives from all of the Virginia investor-owned utilities (Dominion, APCO and ODP) this fall. Since the Board has not yet met with APCo or ODP, these utilities have provided the following information:

Update from APCo representative via email on April 15, 2021.

APCo has two weatherization programs available for low income customers in Virginia:

- The **Low Income Single Family Program** provides home energy services to APCo’s customers with limited income to assist them in reducing their electric energy usage and to manage their utility costs. Equipment and installation costs for all eligible upgrades are provided at no cost to eligible customers and properties. Funding for the Program, to the extent possible, supplements the existing state weatherization funding during the weatherization of the homes. Eligible upgrades may include lighting, water saving devices, HVAC replacement, appliance upgrades, insulation/ air sealing, and more. The Program has been implemented in APCo’s Virginia territory since 2015, winning awards for program design along the way, and was recently approved by the VA SCC for another 5 years.
- The **Low Income Multifamily Program** targets individually metered multifamily dwellings within APCo’s Virginia service territory. Eligible participants and properties are identified and qualified based on income thresholds of those residing in the properties. Equipment and installation upgrades are provided at no cost to eligible customers and properties. Eligible upgrades may include lighting, electric water heating measures, appliance upgrades, HVAC upgrades, insulation/ air sealing, and more. All customers participating in this Program also receive educational materials and an opportunity to discuss ways they can continue to conserve and maintain the efficiency of their home after the services have been performed. The Program was just recently approved by the VA SCC for 5 years, and is actively engaging eligible properties and customers.

In addition to the two weatherization programs, APCo offers an **Energy Efficiency Education** pilot program to eligible residential customers. The program identifies customers who receive financial assistance paying their electric bill through different agencies. The program provides mailings directly to these customers with information regarding measures they can take to save energy and reduce electric bills. It also provides information regarding programs offered by APCo as well as by local weatherization providers to assist them with energy conservation. Additionally, the program includes an offer for a free energy conservation kit that includes simple, easy to install energy saving measures. The kit, if requested by the customer, is mailed to their home at no cost.

Update from ODP representative via email on April 13, 2021.

There are two programs in ODP's service area to assist low income customers with their utility bills. The first is the Virginia Energy Assistance Program administered by Virginia Department of Social Services in partnership with ODP. The program consists of the following components:

- Fuel assistance funds are available to assist eligible households in Virginia in meeting their immediate home energy needs. The benefits are not intended to meet the household's total costs during the heating season. Benefits are based on a matrix system determined by income, number of people in household, primary heat type and vulnerability factors. There is no set amount. Benefit monies not used in the heating season revert to the State for program usage.
- Crisis assistance funds are available to customers in Virginia who are in an energy crisis defined as a situation in which the household has no heat or in imminent danger of being without heat. It provides assistance with primary heat security deposits, utility heating bills, repair/replacement of heating equipment or primary heating fuel. Funding is discretionary and limited. Eligibility is based on income and emergency need.
- Cooling assistance funds are available to low-income households in Virginia for cooling assistance when other resources cannot meet those needs. The funds can be used for cooling equipment, repairs, or purchases and with payment of electric bills to operate cooling equipment. Eligibility is based on income, number of people in household and at least one vulnerable person in household.

The second program is the WinterShare Energy Assistance Fund. Ten years ago, KU-ODP implemented the WinterShare program. The program permits customers to donate funds for supporting other customers with their utility bills; KU-ODP matches dollar to dollar customer donations with shareholder funds and provides the funds necessary to operate the program. This program provides support for customers at or below 150% of Federal Poverty Guidelines with a maximum benefit of \$250 per assistance period. Dollar Energy Fund is the third-party administrator for the program using local community-based organizations to directly connect with customers in need.

KU/ODP continues to move forward with solar options for our customers in Virginia. ODP's Green Tariff was approved last year by the Virginia Commission as part of ODP's rate case and has three options for customers to participate in renewables. ODP's Renewable Energy Certificates (REC) option allows customers to pay a set price for the purchase of RECs created by regional renewable sources. This allows

customers who neither have the resources or facilities to invest in renewables on their own premise to have a low cost yet effective way to support regional renewable investments. Our Business Solar option for non-residential customers who do not want to invest or maintain solar facilities on their own allows them to contract with ODP to construct and maintain solar facilities on the customer's premise. Finally, ODP's Renewable Power Agreement option allows large non-residential customers the opportunity to purchase renewable power from facilities for which KU/ODP has contracted to provide renewable energy to the customer.

ODP is currently working with customers on six projects that have applied for admission to the Virginia Renewable Energy Pilot Program under Section 56.594.02 of the Virginia Code. To date no low-income projects have been proposed.

ODP also is working through the stakeholder process coordinated by the Virginia State Corporation Commission in the development of regulations for the Virginia Code, Multifamily Shared Solar Program under Section 56.585.1.12. As part of this process, ODP participates in the work groups to develop subscriber-organization, customer, and low-income intake forms in preparation for when this program becomes commercially available to our customers.

With respect to energy efficiency and weatherization programs, KU has a long history of offering such programs within its Kentucky service territories. Beginning in 2016, the Kentucky Commission changed its evaluation of DSM programs. As a consequence, the scale and number of KU's DSM programs in Kentucky has declined from 11 to 3 over time. In ODP's 2011 rate case, ODP proposed a number of DSM programs, including one for low income customers, but the Commission rejected all of them due the bill impact. The demographics within ODP create challenges in developing cost effective programs. With a declining customer base of only approximately 28,000 customers, the cost of these programs can create sizable monthly bill impacts for customers. Notwithstanding these challenges ODP continues to consider its DSM position in Virginia.