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IDAHO PUBLIC
UTILITIES COMMISSION

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9 BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

10 IN THE MATTER OF THE APPLICATION OF) CASE NO. IPC-E-03-13
11 IDAHO POWER COMPANY FOR AUTHORITY)
12 TO INCREASE ITS INTERIM AND BASE)
13 RATES AND CHARGES FOR ELECTRIC)
14 SERVICE)
15)
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16 **COMMUNITY ACTION PARTNERSHIP ASSOCIATION OF IDAHO**
17 **DIRECT TESTIMONY OF**
18 **KEN ROBINETTE**

1 Q: Please state your name and business address.

2 A: My name is Ken Robinette. I am the Executive Director of the South
3 Central Community Action Partnership (SCCAP) located at 550 Washington St. So.
4 Twin Falls, Idaho. SCCAP is a private non-profit organization that provides services to
5 low-income elderly, disabled and families of the 8 magic valley counties of Idaho.
6 SCCAP is 1 of 5 community action agencies along with the Idaho Migrant Council and
7 Canyon County Office on Aging in Idaho that have been working to alleviate the effects
8 of poverty since 1967. The Executive Directors of these 7 organizations represent the
9 Board of Director's of the Community Action Partnership of Idaho (CAPAI).

10 Q: On whose behalf are you testifying?

11 A: The Community Action Partnership Association of Idaho (CAPAI) board of
12 directors asked me to present the views of an expert on, and advocate for, low-income
13 customers of Idaho Power in this proceeding. Whereas, I am the chairman of the CAPAI
14 Energy Committee and have served as the lead for statewide, regional, and national
15 low-income weatherization policy and program design, my testimony will reflect CAPAI's
16 view that low- income people are an important part of Idaho Power's customer base,
17 and that these customers may be uniquely impacted by the proposed rate increase.

18 Q: What is your relevant experience to this case before the Commission?

19 A: As the Executive Director of SCCAP for the past 3 years, I am responsible
20 for the administration of the federal Community Service Block Grant (CSBG), the Low
21 Income Home Energy Assistance Program (LIHEAP), and the Department of Energy
22 Weatherization Assistance Program (WAP) in the local counties of Blaine, Camas,
23 Cassia, Gooding, Jerome, Lincoln, Minidoka, and Twin Falls, Previously I worked as the
24 Energy Director for SCCAP 's weatherization program for 22 years. I have served on
25 the State of Idaho's Governor's Weatherization Advisory Council for the past 8 years. In

1 1997 I was appointed to the Consumer and Public Purposes Subcommittee of the
2 Governor's Council on Hydroelectric and River Resources. I am also the chair of the
3 CAPAI Energy Committee. I currently serve on Idaho Power's Energy Efficiency
4 Advisory Group (EEAG) as the low-income residential representative. I have also
5 represented Idaho as a board member for the regional U.S. Department of Energy's
6 Technical Peer Exchange for the past 10 years.

7 Q: Please summarize your testimony?

8 A: My testimony will establish:

9 1) That the existing program design and funding levels of the Idaho Power Low
10 Income Weatherization program (LIWA) are inadequate to address the needs of Idaho
11 Power's low income residential customers

12 2) Program design and funding level recommendations that will meet the need of
13 these households

14 3) The testimony will conclude with specific recommendations for the
15 Commission to adopt.

16 Q: What are the different types of funding sources and programs for low-
17 income weatherization that are available in the Idaho Power service area?

18 A: There are 3 major funding sources for low-income weatherization that
19 Community Action Agencies have available in the Idaho Power service territory.

20 1. The United States Department of Energy Low-Income Weatherization
21 Assistance Program known as DOE WAP. This funding has been provided to all states
22 since 1978. The regulations and requirements listed under 10 CFR Part 440 of DOE
23 are the standards for which the state has adopted as its requirements for the
24 weatherization programs in the state.

1 2. The Low-Income Home Energy Assistance Program (LIHEAP), which is a
2 block grant from the Federal Department of Health and Human Services and has
3 funded states since 1980. The State of Idaho Department of Health and Welfare
4 (IDHW) has jurisdiction over these 2 programs. With LIHEAP, Idaho has the option,
5 and has chosen to take the maximum of 15 % of this block grant that is primarily
6 targeted for energy assistance towards home heating of low-income households to go
7 into the low-income weatherization programs.

8 3. The Idaho Power Low-Income Weatherization Assistance Program (LIWA).
9 This program started in April 1989 and is currently designed to "piggyback" and provide
10 additional leveraging of funds on the above-mentioned federal programs. It is only this
11 program that the Commission has control over.

12 Q: What is the history of the current low-income weatherization program
13 funded by Idaho Power?

14 A: In 1989 Idaho Power determined it should participate with the State of
15 Idaho's Low-income Weatherization Program (WAP) funded by the U.S. Department of
16 Energy (DOE) and administered by the Idaho Department of Health and Welfare
17 (IDHW) to provide a full range of eligible energy conservation measures to low-income
18 families in Idaho Power's service territory. .

19 Idaho Power proposed to participate in the WAP for a period of 5 years by
20 providing annual grants of \$320,000 to the 8 Idaho non-profit weatherization agencies to
21 weatherize electrically heated homes. An additional \$75 would be paid for
22 administrative expenses on each home weatherized with Idaho Power grant funds.
23 Idaho Power also proposed to increase its funding to \$500,000 annually after 2 years of
24 operation if determined by the Idaho Public Utilities Commission (IPUC) after their
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1 review of the program. Idaho Power estimated that the funding provided would assist
2 in weatherizing 560 homes per year with approved conservation measures.

3 In April of 1989, the Community Action Agencies contracted with Idaho Power to
4 provide weatherization to low-income electrically heated homes in its service territory,
5 commonly known as the "LIWA contract." This began a partnership that has continued
6 through 2004 to provide energy conservation to Idaho's low-income residents. In the
7 first five years, from April 1, 1989 to December 31, 1994, Idaho community action
8 weatherization programs had completed 1785 electrically heated homes (357 homes
9 pre year) using Idaho Power funding. The total investment from Idaho Power including
10 administration fees for that same period was \$1,440,457. The average annual
11 investment was \$288,091 and provided an average cost of \$807 per home that
12 accounted for an average of 4076 KWH's saved per home. (see Exhibit 806)

13 Through the 14 years of partnership with Idaho Power, the Community Action
14 Weatherization programs continued to provide cost effective energy conservation to
15 eligible households with Idaho Power funds. However, during the journey the Agencies
16 faced funding cuts from DOE and Idaho Power making it more difficult to provide
17 service to our growing population of low-income residents. In 1998 IDHW had to
18 downsize its state weatherization programs from 9 agencies to 6 due to federal funding
19 cuts. IDHW also had to restructure the counties for 2 agencies so continued services
20 would be provided to all 44 counties of the state.

21 During that same time the weatherization programs were experiencing barriers in
22 successfully completing the contracts for Idaho Power and met with IDHW and Idaho
23 Power officials in October of 1998 to address the issues that agencies were having.
24 Those barriers included contracts delivered late to agencies from Idaho Power,
25 agencies not turning in small cost homes, and the fact that the program design did not

1 allow for an actual 50% of payment for job completion depending on measures installed.
2 Also discussed was the administration fee of \$75 that was still being applied since 1989
3 and was not meeting the projected administration cost of the agencies at which time
4 was determined to be \$146 per project.

5 The October 1998 meeting ended with no changes as it was reported that the
6 contracts for 1999 had already been decided and were being prepared. (see Exhibit
7 807). In October 1999, the community action agencies met again with Idaho Power staff
8 to discuss the weatherization needs in Idaho Power's service territory and its current
9 program design, barriers and program changes that would improve the program
10 effectiveness. This meeting proved to be effective for some new program design
11 changes and added clarification of contract language. However, for contract year 2000,
12 CAPAI's agencies experienced our greatest LIWA contract reduction to date. Several
13 agencies were faced with as much as 50% reduction while others received a slight
14 increase. This was due to the population shift in the Idaho Power service territory.

15 In addition to the shift of funding, agencies also had to adhere to new changes in
16 the contract required by Idaho Power. The majority of the changes were positive. One
17 change, however, had negative consequences. Under this change, community action
18 agencies were required to achieve a 1.1 or greater Savings to Investment Ratio (SIR)
19 instead of the allowed DOE requirement of 1.0 SIR.

20 In response to our continued request for additional funding, Idaho Power
21 increased our 2001 contracts by \$100,000 for a total of \$297,534. In 2002, however,
22 we once again had our contracts cut by more than 20% and, if not for some added
23 funding provided to Idaho Power from the Bonneville Power Administration, our
24 agencies would have seen a 50% cut in our total contract amounts. From 2002 to 2004
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1 our LIWA contracts have maintained the same level of funding of \$247,534, which is still
2 well below the original \$320,000 and far short of the proposed \$500,000.

3 Q: What improvements are needed to make LIWA a more effective program?

4 A: Increase the base funding from the current 2004 level of \$247,532.00
5 (Idaho only) to \$1.2 million. This is the approximate equivalent of weatherizing 440 units
6 (State average cost per unit of \$2730) at full funding (not the 50% match). Even at this
7 level of funding, it would take 12.5 years to meet the number of low-income households
8 present today in the Idaho Power service area that are in need of weatherization.

9 These numbers represent actual low-income households that received an Energy
10 Assistance benefit in the contract year 2002/2003 for electrically heated homes (9592
11 less 4107 homes previously weatherized with Idaho Power funds leaves 5485 still
12 eligible to be weatherized as of last year). This does not include additional homes being
13 added to the already lengthy waiting list that the community action agencies now have.
14 It also does not include homes that are heated with other fuel sources such as natural
15 gas.

16 Q: How does LIWA benefit the low-income customers it serves as well as
17 other Idaho Power ratepayers?

18 A: The DOE regularly conducts evaluations of the Weatherization Assistance
19 Program in order to verify energy savings and maximize service to the low-income
20 weatherization clients. These evaluations are conducted by DOE's, Oak Ridge National
21 Laboratory (ORNL). The evaluations are critical to establish the efficacy of energy
22 efficiency measures for establishing cost-benefit ratios for the program as a whole. In
23 terms of energy savings, weatherization clients save \$1.83 for every dollar of
24 investment. With these kinds of savings to low-income customers it is easy to see that
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1 the savings from having their residence weatherized can make an impact on their ability
2 to stay current with their utility bills.

3 Due to the very nature, low-income households are usually faced with having to
4 reside in the older housing stock and many times in homes that are sub-standard
5 because of affordability. The majority of these older homes are the most energy
6 inefficient housing stock due to the lack of proper insulation throughout the building
7 envelope, which includes: attic, walls, floors, heating ducts, windows and doors. When
8 the utility bills start building up and become unmanageable, then too often these
9 households fall into arrears, which can lead to termination of service.

10 When low-income households fall off the system because they are unable to pay
11 their fair share of Idaho Power's distribution cost then all remaining ratepayers are left to
12 pick up the difference. Therefore, supporting programs such as LIWA helps low-income
13 customers keep their utility bill affordable by having an energy efficient residence, which
14 at the same time keeps other ratepayers from paying additional cost for distribution, as
15 the energy saved in each residence will continue into perpetuity.

16 In addition to the energy savings from conservation measures installed, there are
17 also many non-energy benefits of low-income weatherization. In a recent analysis from
18 ORNL, it was documented that benefits to utility ratepayers, the economy, and the
19 environment are in addition to the energy benefits that reduce the energy bills of low-
20 income customers by increasing the energy efficiency of their homes. They concluded
21 that for every dollar invested, there are non-energy benefits worth \$1.88. With an
22 established \$1.83 for every dollar invested for energy savings and when added to the
23 \$1.88 for non-energy related benefits the total return for every dollar invested in low-
24 income weatherization is \$3.71.

1 The utility ratepayers benefits include lower bad debt write-offs, reduced carrying
2 cost on arrearages, fewer late notices and customer calls, fewer shut-offs and
3 reconnections for delinquency, and reduced collection cost as well as the cost of
4 administration of payment programs. Lastly, by improving the energy efficiency of low-
5 income residences it also improves other aspects of the resident's lives such as health
6 and safety. There are many relatively unique issues and problems that low-income
7 people face on a daily basis. Low-income status is often correlated with circumstances
8 such as: low education, unemployment, poor health and language and cultural barriers.
9 A more energy efficient residence can also lead to greater health benefits, especially to
10 children and elderly who are most susceptible to the ill effects of the winter cold and
11 summer heat. Better health for children will result in greater attendance at school, and
12 for the elderly, improved efficiency can lead to lower medical cost and nursing care.

13 While we understand that it is not the role of the IPUC to consider and
14 differentiate between classes of residential customers, however we believe all
15 consideration should be given towards the overall benefits of providing assistance
16 through the LIWA program.

17 Q: Program design and funding level recommendations that will meet the
18 need of these households

19 A: Allow Idaho Community Action Programs that receive DOE funding to
20 have the flexibility to submit payment request that LIWA funds up to the full cost for
21 work completed as determined by the EA4 energy audit, which is the approved DOE
22 computerized energy audit utilized by community action agencies. (see Exhibit 808).
23 This method allows weatherization agencies to maximize their leveraging of federal and
24 private funds. CAPAI would like to IPUC to grant our request of 1.2 million annually.
25 This will assist in weatherizing approximately 440 low-income households annually.

1 Increase the administration cost to \$150 per unit to meet the current fiscal requirements
2 and auditing standards. Even at this rate of funding it would take over 12.5 years to
3 reach all the eligible households today, who use electricity for it's primary heating
4 source. When compared to the Comprehensive Review of the Northwest Energy
5 System, sponsored by each of the Governors of the four Northwest State's who asked
6 each utility to spend 3 percent (14% of that, was to be spent for low-income
7 weatherization) of their gross operating revenue then Idaho Power's suggested level of
8 spending according to 2002 revenues of \$812,683,191 would be \$3,414,028.

9 VI. RECOMMENDATIONS TO THE COMMISSION

10 Q: Do you have any recommendations to make to the Commission regarding
11 this proceeding?

12 A: Yes. They are listed below.

- 13 • Fund electric low-income weatherization and efficiency retrofits from ratepayer funds
14 at 1.2 million dollars annually
- 15 • Approve the program design recommendations as stated above effective within
16 three months of the Commission's final Order in this matter.

17 Q. DOES THAT CONCLUDE YOUR TESTIMONY?

18 A. Yes, it does. I thank the Commission for the opportunity to submit this testimony.
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