

SENATE BILL REPORT

ESHB 1335

AS OF APRIL 1, 1991

Brief Description: Providing an energy assistance and conservation program for low-income households.

SPONSORS: House Committee on Housing (originally sponsored by Representatives Nelson, Franklin, Ogden, Leonard, Wineberry, Mitchell, Winsley, Phillips, Jacobsen, Jones, Brekke, Spanel, Scott and Anderson).

HOUSE COMMITTEE ON HOUSING

HOUSE COMMITTEE ON REVENUE

SENATE COMMITTEE ON ENERGY & UTILITIES

Staff: Phil Moeller (786-7445)

Hearing Dates: April 2, 1991

BACKGROUND:

Energy costs are usually the largest housing expense after rent or mortgage payments. However, federal Department of Energy (DOE) studies have found that energy costs are a much more significant burden for lower-income households than for middle and upper income households. Energy conservation measures have been viewed as one method of making housing more affordable by reducing energy costs.

The state's Energy Matchmakers Program, which began in 1987, is funded with federal court ordered settlements from oil overcharges in the 1980s. This program has greatly enhanced the state of Washington's ability to meet the need for weatherizing homes of low-income persons. The program provides matching funds on a dollar for dollar basis to operators of local energy conservation programs to be used to weatherize homes of low-income persons. The matching funds are usually provided by energy suppliers, rental property owners, and charitable organizations.

Since the beginning of the program an estimated 11,000 homes have been weatherized with Matchmaker funds and its associated match, nearly double the amount of homes that would have been weatherized with Matchmaker funds alone. The funds used for the state's Energy Matchmaker Program are expected to be depleted by July 1991.

SUMMARY:

All energy suppliers, within the state of Washington, are required to submit plans to complete weatherization of one-half of the residences of their low-income customers by the year 2001. An energy supplier is defined as an electric utility or natural gas utility, whether privately or publicly owned, a heating oil dealer, or a propane dealer.

Energy suppliers are required to provide residential weatherization programs for low-income households that include all energy efficiency measures that are in the public interest, measures that are cost-effective in reference to the energy supplier's avoided cost for additional energy supplies, the savings to ratepayers due to reduced uncollectible accounts, and levels of weatherization determined in consultation with the Department of Community Development.

Funding for the low-income weatherization programs must come from the rates paid by the energy suppliers' ratepayers. Electrical and gas energy suppliers that are regulated by the Utilities and Transportation Commission must file an energy conservation tariff by December 31, 1991, and at least every five years thereafter until the year 2011.

Weatherization Plans

The weatherization plans of energy suppliers must be submitted to the Department of Community Development by December 31, 1991. Before the weatherization plan is submitted to the Department of Community Development, it must be made available to customers, public agencies, and other interested parties for a 30-day review and comment period. Any comments on the weatherization plans must be sent when the weatherization plan is submitted to the Department of Community Development. The Department of Community Development must review and comment on the energy supplier's weatherization plan. Energy suppliers are required to submit annual reports, to the Department of Community Development, on the progress made in carrying out its weatherization plans.

Energy Education Programs

The Department of Community Development is required to develop model energy education programs. The energy education programs must include instruction and training on the effective use of the energy conservation measures and money management techniques that the household can adopt to effectively use and preserve energy resources.

Coordination of Rehabilitation and Energy Conservation Activities

The Department of Community Development is required to coordinate available energy conservation assistance with assistance from the Washington Housing Trust Fund or the state-administered federal Community Development Block Grant Program that is used to rehabilitate residential dwellings.

Other Provisions

The Utilities and Transportation Commission is required to adopt policies to protect regulated utility companies from a reduction of short-term earnings caused by energy conservation programs. These policies may include the adoption of least cost planning and operation.

The Washington State Energy Office may prepare proposals to sell low-income energy conservation to energy suppliers.

The Department of Community Development is required to prepare an annual report, by January 1 of each year, on the progress and status of the low-income weatherization activities of energy suppliers.

Appropriation: none

Revenue: none

Fiscal Note: available