



# Energy Efficiency: The Tricky Part Is Reaching Low- Income Communities



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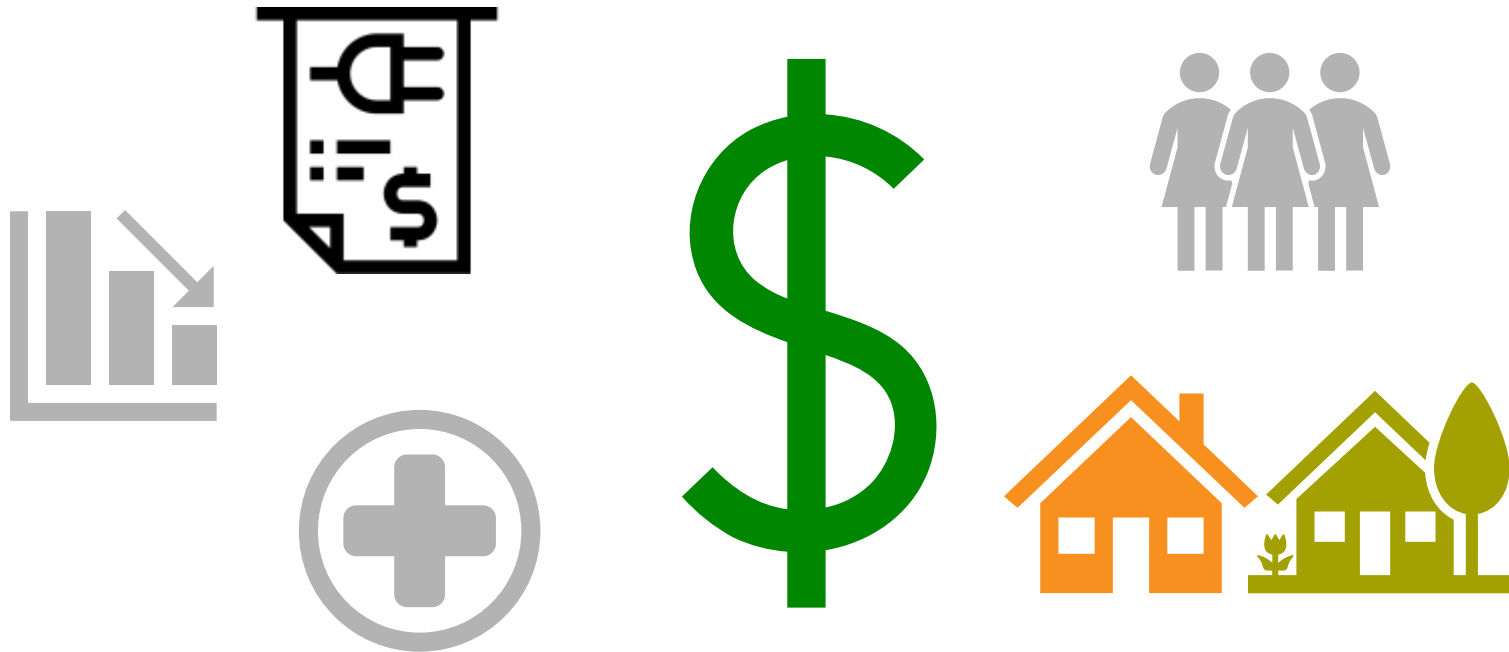
# Energy efficiency serves the needs of many actors but is difficult to access



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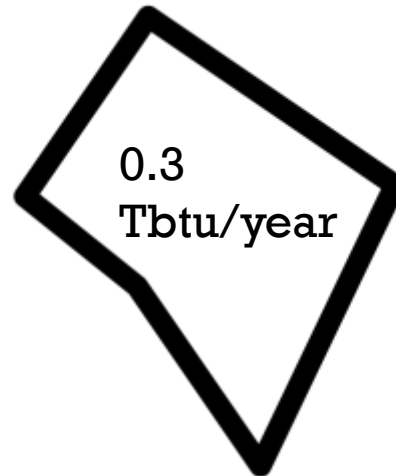
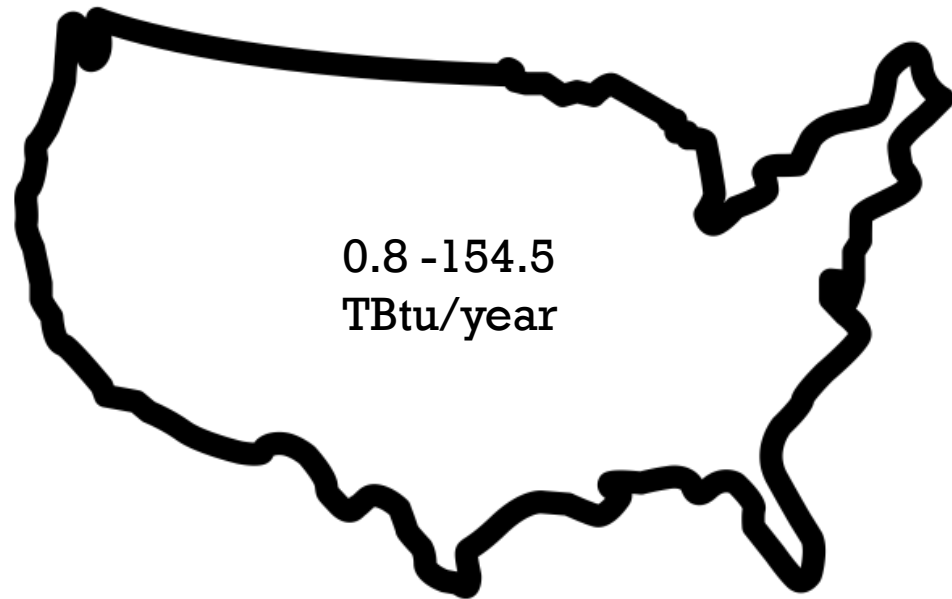


# Energy efficiency serves the needs of many actors but is difficult to access





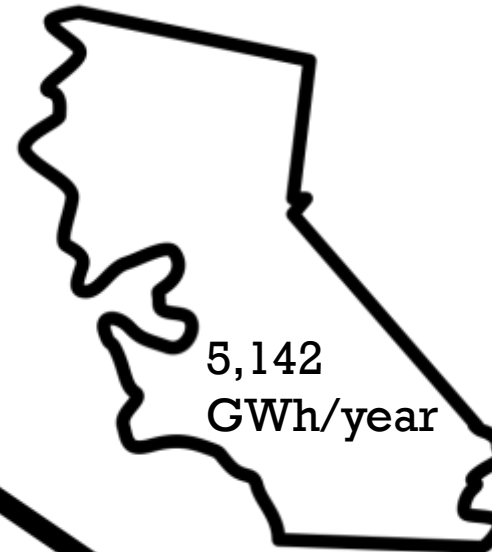
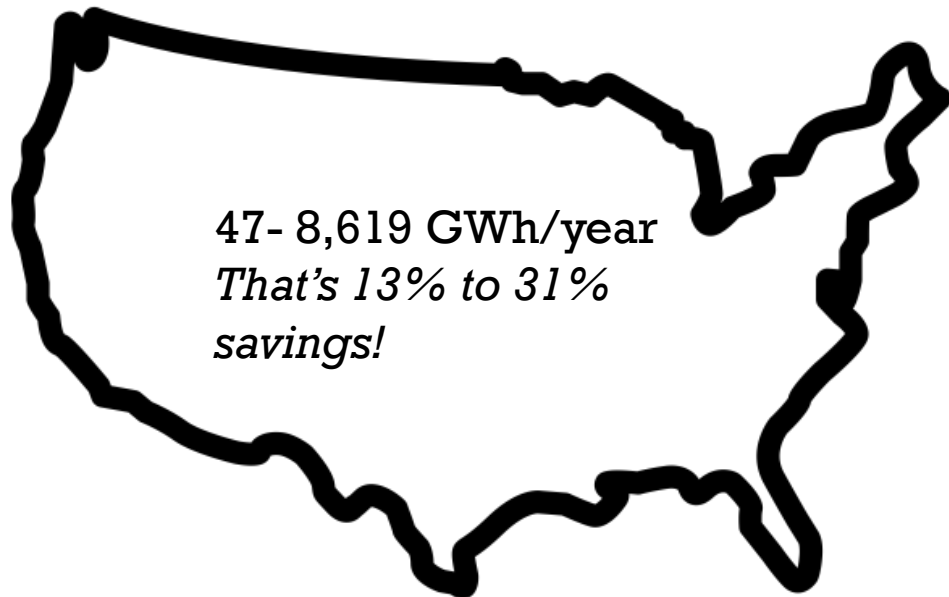
# The Benefits of Serving Low-Income Communities: On-Site Fuel Savings



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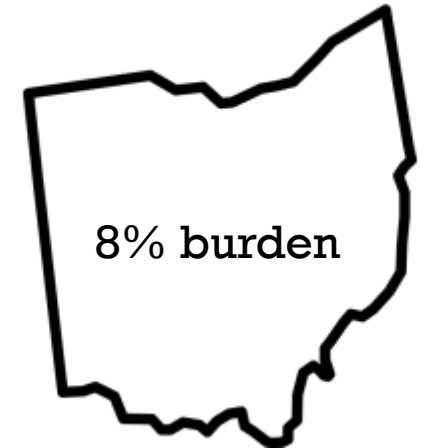
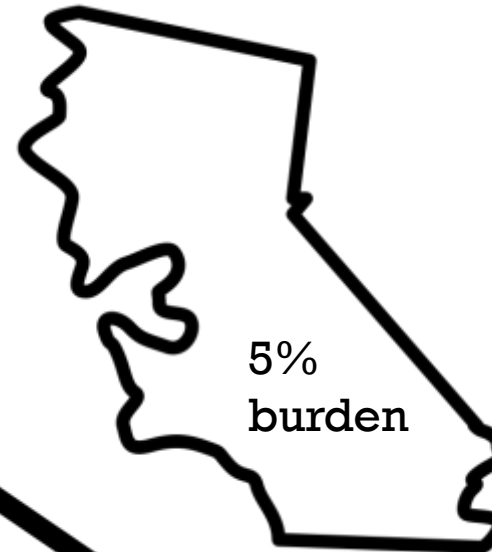
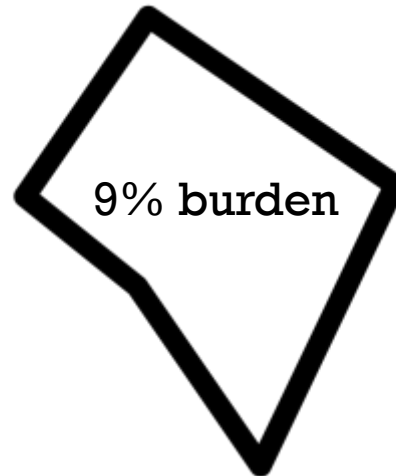
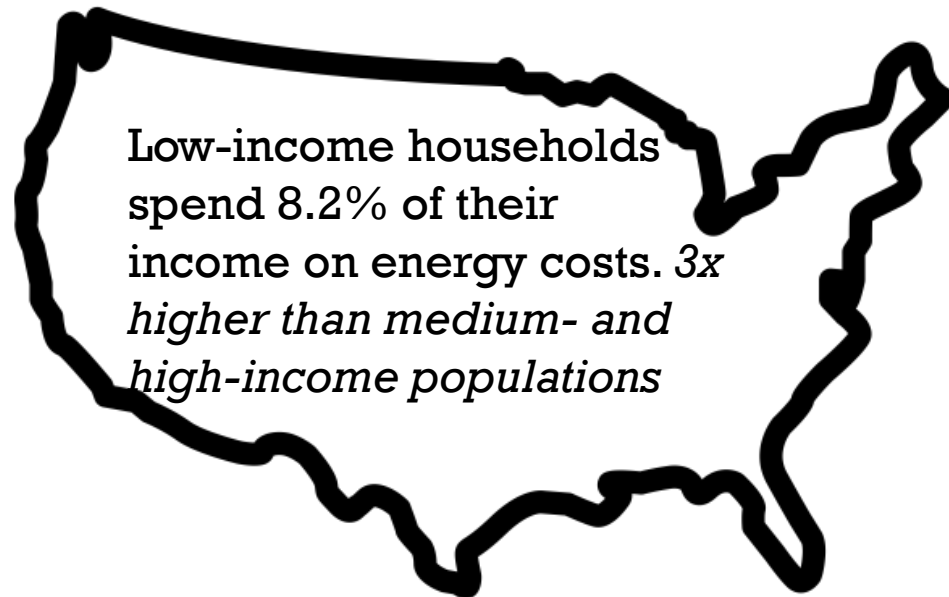
# The Benefits of Serving Low-Income Communities: Electricity Savings



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# The Benefits of Serving Low-Income Communities: Reduce Energy Burden



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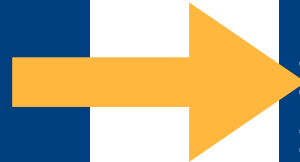


# The Benefits of Serving Low-Income Communities: Improve Public Health

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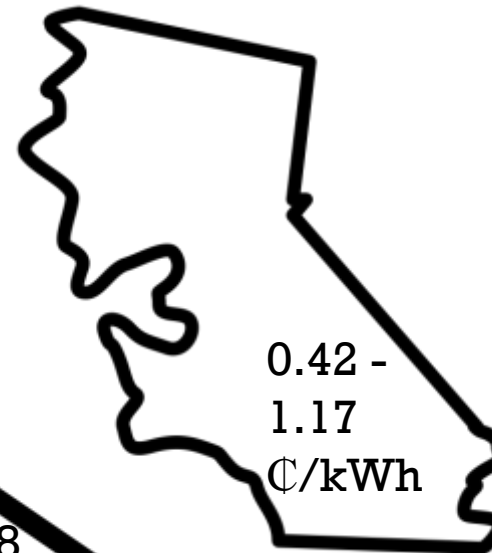
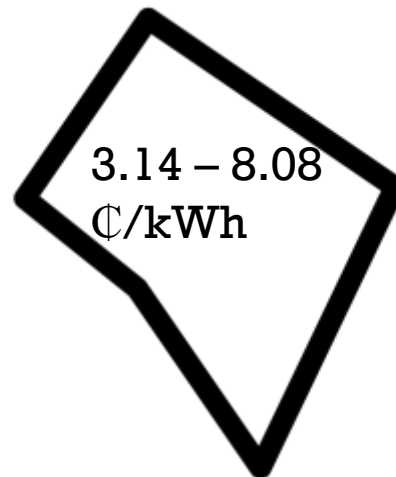
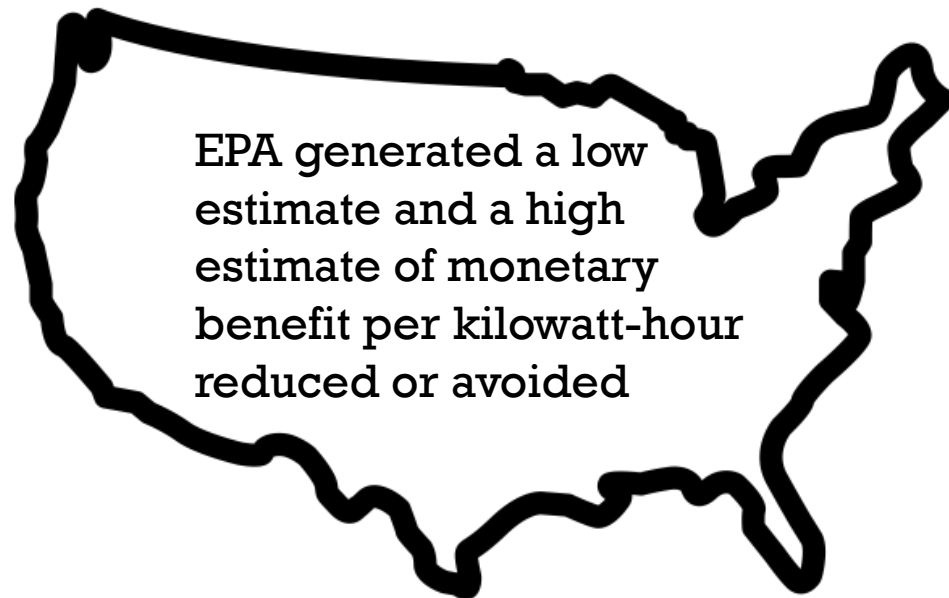
Air sealing, insulation, and heating upgrades



Improved general health, reductions in some asthma symptoms, fewer cases of hypertension and upper respiratory risks, and some improvements in indoor air quality contaminants



# The Benefits of Serving Low-Income Communities: Improve Public Health



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# + The Challenge of Serving Low-Income Communities: Financing

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Energy efficiency improvements require upfront capital, which often prohibits low-income population from making those upgrades and reaping the benefits.





# The Challenge of Serving Low-Income Communities: Financing

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## Rebates

The benefits of rebates are limited to households that can afford the high up-front cost, or those that are comfortable carrying the cost





# The Challenge of Serving Low-Income Communities: Financing

## Residential PACE

Lien on the property paid back on property tax bills that is emerging but lacking uniform consumer protects

### Affordability improvements

- Best Practice Guidelines for Residential PACE Financing Programs
- *Home Energy Score*





# The Challenge of Serving Low-Income Communities: Financing

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## Personal loans

- Exclude borrowers based on income, credit score, and other screening tools
- New payment obligation could have potentially negative consequences

## Affordability improvements

- Credit enhancements and buydowns
- Minimizing program costs
- Cash-flow positive rules
- Extended loan terms
- *Home Energy Score*



# The Challenge of Serving Low-Income Communities: Financing

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## Pay As You Save (PAYS)

- On-bill tariff
- Does not require an individual to pay an upfront cost, take on debt, or establish a lien

1. Utilities pay for cost-effective upgrades
2. Utilities recoup their investment via a fixed tariff charge
3. Customers immediately experience savings  
*The tariff is less than the savings*
4. Once the cost of the improvements is repaid, the tariff is removed, and the customer retains all the savings

# + The Current State of PAYS

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- PAYS programs are or have been in effect in 7 states
- No utility has reported a disconnection for nonpayment of a cost associated with PAYS
- One investor-owned utility currently offers PAYS
- Electric co-ops received funding for PAYS programs from
  - National Rural Electric Cooperative Association
  - National Rural Utilities Cooperative Finance Corporation
  - USDA Energy Efficiency and Conservation Loan Program
  - & more



# What can a SEO do to support PAYS?

- Spread the word about PAYS to local utilities/counter misinformation
- Loan application technical assistance
- Implementation support/technical guidance





# Thank you

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