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INDIANA UTILITY
REGULATORY COMMISSION

Comments on DSM and EE Policies and Programs

Approved by the board of directors on May 14, 2014

To General Counsel Beth Krogel Roads
Re: IURC's EE/DSM Recommendations
Indiana Utility Regulatory Commission
101 West Washington Street, Ste. 1500 E
Indianapolis, IN 46204

Fr: The Indiana Community Action Association
1845 West 18th Street
Indianapolis, IN 46202

Background:

The Indiana Community Action Association, Inc. (IN-CAA) is a state-wide Indiana not-for-profit corporation that represents the 23 Community Action Agencies (CAAs) that provide services in all 92 Indiana counties. The services provided by our network are to support low-income Indiana households and include the Low-Income Weatherization Assistance Program and the Low-Income Home Energy Assistance Program. In this process, the CAA network has developed a set of skilled and experienced employees and contractors that focus on energy conservation in the residential sector.

The Indiana CAA network and IN-CAA work in concert with the Indiana Housing and Community Development Authority (IHCDA), a quasi-governmental organization under the Office of the Lieutenant Governor. IHCDA is the place within Indiana government where funds are received and subsequently distributed for a wide range of programs including the U. S. Department of Energy Weatherization Assistance Program. We believe that this partnership can be useful in delivery of residential energy conservation programs. Both IHCDA and IN-CAA have partnered with all Indiana IOUs in the past.

Recommendations:**Targeted investment:**

From our experience with residential energy conservation program evaluation, we conclude that the greatest predictor of post-weatherization energy conservation is pre-weatherization consumption. If one follows the adage that savings follows waste, targeting investment to the high energy consumers will produce the most savings per dollar invested. This can be achieved with bill analysis and home size information. The “energy intensity” of a structure can also drive the level of investment in a home weatherization project. Utility cooperation to provide the relevant consumption data is essential to accurately identify homes where energy waste provides great opportunity for savings. Essentially, the recommendation is that investment in each home can be greater while fewer households would be served.

Measure results:

Many traditional demand side management programs base their realized energy savings results on “deemed savings” instead of measured savings. In the low-income weatherization assistance program in Indiana, the realized energy savings evaluations are based upon utility consumption data for pre- and post-weatherization periods. With a deemed savings approach, the documentation that a measure was installed is used to indicate that the engineering estimates of energy savings actually occurred. Historical studies indicate that engineering estimates are not reliable predictors of in-field savings.

Dual fuel:

A substantial part of the cost of delivering residential energy savings measures is simply getting vehicles, equipment and personnel to the home. In Indiana, approximately 70% of homes are heated with natural gas and nearly all homes consume electricity. The cost effectiveness of delivered energy savings measures increases when more measures can be delivered with only one trip charge. Proportioning investments at a home based upon the amount of energy being used from each energy source can increase efficiency for both a gas and an electric program. This approach might be most easily tested with utilities that market both natural gas and electricity.

Use Indiana based local vendors:

To the maximum extent possible, any future DSM programs should be managed and delivered by Indiana based providers. This will create work for Hoosiers and will recognize the talents of our workers and contractors. In addition, any profits that result from DSM programs will remain in the State. There are a number of Indiana based manufacturers of insulation and vendors where high energy consuming refrigerators can be de-manufactured.

Partner with the Indiana Weatherization Assistance Program:

The Indiana Weatherization Assistance Program currently reaches about 2,500 homes per year using funds from the U. S. Department of Energy, from the U. S. Department of Health and Human Services and from the Office of the Indiana Attorney General. Adding funds to this program will reduce overhead and allow increased conservation that would not otherwise be possible.

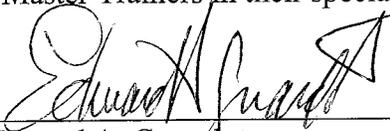
Channel funding through the Indiana Housing and Community Development Authority:

IHCDA has the capacity to manage multiple contracts and has the capacity to monitor residential energy efficiency work to assure high quality. This office can effectively utilize the CAA network to deliver any program that addressed residential energy efficiency

Utilize accredited training providers for all residential service delivery organizations:

The U. S. Department of Energy has contracted with the Interstate Renewable Energy Council (IREC) to assess and accredit residential energy conservation training programs that support their Low Income Weatherization Assistance Program. IN-CAA is one of eight IREC accredited training programs in the country. In addition, they have certified three of the IN-CAA training staff as Master Trainers in their specialty areas.

Signed:



Edward A. Gerardot
Executive Director