December 15, 2014
The Honorable Gina McCarthy
Administrator
U.S Environmental Protection Agency
1200 Pennsylvania Avenue NW
Washington, DC 20460

Dear Administrator McCarthy:

The National Energy and Utility Affordability Coalition (NEUAC) respectfully submits the following comments on the proposed rule regarding carbon regulation at existing stationary sources (Docket No. EPA-HQ-OAR-2013-0602).

NEUAC is a broad-based coalition of diverse organizations dedicated to heightening awareness of the energy needs of low- and income energy consumers, fostering public-private partnerships and engaging in other activities to address these needs. NEUAC counts among its members fuel fund organizations, utilities, trade associations, and various charitable and nonprofit groups. NEUAC is the result of a merger between the National Fuel Funds Network and the National Low Income Energy Consortium. These two nonprofit groups have worked together for more than 25 years and since 2006 have partnered in presenting the nation’s largest annual gathering devoted to energy assistance for low-income households – the National Energy and Utility Affordability Conference, from which the new organization takes its name.

NEUAC takes no position on the any of the proposed guidelines that make up the Clean Power Plan. Our goal in these comments is to urge that any final guidelines take into account the particular needs of low-income households and the nature of their energy burdens.

The Environmental Protection Agency defines environmental justice as “the fair treatment and meaningful involvement of all people regardless of race, color, sex national origin, or income with respect to the development, implementation and enforcement of environmental laws, regulations and policies”. The separate term ‘social justice’ can be considered as the obligation to ensure the equality of opportunity among the same groups outlined in the EPA’s definition of environmental justice as well as fair distribution of the financial impact of these laws, regulations and policies.

When considering low-income households in the context of EPA’s proposed Clean Power Plan, questions of environmental and social justice arise. These proposed regulations aim to secure reductions in power plant carbon emissions. If regulations promulgated by the EPA have the effect of increasing the cost of home energy, vulnerable households, many of which currently pay as much as half of their total income on home energy, will be impacted disproportionately, and will realize no immediate, universal, economic benefit from the new regulations.

Fortunately, as EPA’s proposal recognizes, the Clean Power Plan does create an increased opportunity to deploy demand-side energy efficiency as a common sense strategy that reduces pollution while making our economy more competitive, saving American families and businesses money, creating jobs, and stimulating the economy as utility bill savings are spent on other goods and services.
However, energy efficiency is not always accessible for all communities. This problem can be mitigated to some extent if states implement energy efficiency/demand side management initiatives not only across all classes of utility customers but with a separate and robust focus on low-income housing. For low-income energy efficiency/demand side management programs that target low-income housing to be effective, they must be implemented differently than similar programs that serve the general residential utility customers. Due to the limited resources of low-income households and multi-family low-income housing providers, traditional rebate programs won’t provide the resources necessary to make needed energy efficiency improvements.

Without extraordinary treatment, low-income households will not have access to these programs. In Colorado, and some other states, robust low-income energy efficiency programs delivered by utilities and nonprofit organizations have yielded measures which effectively address this important need.

In fact, the potential for energy efficiency in the multifamily sector may be even greater than in other sectors of the economy: a 2009 study by the Benningfield Group estimated the economic energy efficiency potential of multifamily homes at nearly 60%, compared to 26% in the overall U.S. economy. In addition, if states were to implement market-based measures, they can use the proceeds to help those struggling to pay their electricity bills. For example, in the first three years of the Regional Greenhouse Gas Initiative, the ten participating Northeast and Mid-Atlantic states devoted more than $127 million from the auction of allowances to direct bill assistance.

NEUAC believes that there is an opportunity for the EPA to achieve the desired goal of reducing carbon emissions and at the same time lower home energy bills, creating more affordable, safer, and more comfortable home for our most vulnerable neighbors.

As the EPA completes final Rule 111(d) guidelines, we urge the agency to encourage that energy efficiency improvements for low-income housing be recognized as an important and appropriate measure to achieve the desired goal of reducing power plant emissions. Further, in developing guidance for evaluation, measurement and verification of the energy savings that result from energy efficiency programs, EPA should prioritize developing guidance that will facilitate investments in energy efficiency in low-income communities, and make it clear to states that these types of programs can be deployed, and verified, as part of a compliance strategy.

The Clean Power Plan has the potential to be a critical opportunity to mobilize investments in energy efficiency—and with EPA’s leadership such investments could be deployed to ensure that the populations that are most in need have full access to these cost-saving and energy-saving programs.

Sincerely,

Monique Lovato, Executive Director
National Energy and Utility Affordability Coalition (NEUAC)