

BECC 2024 Solutions Session

Problem Statement:

Seattle City Light is designing its residential energy retrofit programs and, like many utilities, is finding it difficult to get retrofits into medium-sized multifamily buildings (under 20,000 sq ft) with low-to-moderate income (LMI) residents. Their goal is to reduce energy costs for LMI customers and, to do this, they need to reach this key population segment. Renters can access rebates directly for smaller upgrades (e.g., for appliances) and can get larger upgrades (e.g., HVAC) with landlord consent. Landlords can access rebates directly, or they can get consent from tenants to pool their rebate allocations and purchase larger building-wide upgrades (e.g., envelope improvements). The problem for today's Solution Session is: **How can we encourage tenants and landlords to access financial incentives and get energy upgrades?**

Perceived Barriers to Accessing Financial Incentives to Upgrade Buildings	Perceived Benefits of Accessing Financial Incentives to Upgrade Buildings
<ul style="list-style-type: none"> • Not knowing what's available • Needing sign-off from multiple tenants for their IRA allowances (both tenants and landlords may do this) • Decision-maker is not paying the energy bills • Inability (or high level of effort) to determine if the building is income-qualified (50% must be low-income) • Temporary displacement ("Where will I go while my home is getting renovated" or "where will I put my tenants while this work is done?") • Insufficient upfront cash to pay for upgrades. New commercial PACE program exists but has some problems. There is no established Green Bank yet in Washington state. • Complicated work that is difficult to coordinate and there is a shortage of qualified workers – electricians, energy modelers, installers, etc. • Rent increase issues ("I don't want my building to get renovated because my rent will go up" or "I want to raise tenant rents to pay for upgrades but can't") • Landlord only: Won't upgrade until necessary ("I'll fix it when it breaks" or "I'll wait until they tell us we have to upgrade") 	<ul style="list-style-type: none"> • Bill savings (for the one paying bills); Landlord always pays at least some portion of bill so there is always some benefit to landlord (common spaces, outside lights, etc.) • The right thing to do for environmental sustainability – people in Seattle care (partly because effects of climate change are being experienced) • Tenant only: Improved indoor air quality (wildfires and natural gas in home reduce air quality) • Tenant only: Comfort in home (reducing drafts and providing cooling in summer); most residents in Seattle don't have AC and climate is warming • Landlord only: Happy tenants • Landlord only: Marketability (having AC and saying you are doing good for environment is a selling point) • Landlord only: More valuable property (even though rents might not be able to go up) • Landlord only: Get ahead of the curve and take advantage incentives now, before possible future regulations/fines for inefficiency or GHG emissions (e.g., regulations on 20k+ sq ft buildings could expand)

Potential Levers for Change

Seattle City Light is in the process of designing its program and deciding how to promote it. It has a broad spectrum of potential tools it can use to increase uptake. For example, it can develop tools for finding buildings that qualify for rebates, allow provisions in the program that encourage "aggregators" to take care of rebates, and provide innovative financial solutions/instruments. In terms of marketing and outreach, it can implement and test different messaging strategies, conduct outreach and partnership with companies, non-profits and CBOs, implement social/behavioral science strategies (e.g., mapping/implementing a customer journey), and use innovative strategies for bridging the digital divide (i.e., helping those without internet access programs). The only thing it cannot do is change policy, therefore policy recommendations may not be the most productive solutions for them.

What have you tried so far?

A few strategies have been developed and used by the regions around Seattle. For example, Takoma has implemented an innovative financing strategy and direct install program, and the state of Washington has just launched a Commercial PACE program, although it has issues with accessibility that need to be worked out.

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Solutions Worksheet

Use the space below to briefly outline your solutions

A large, empty rectangular box with a thin black border, occupying the majority of the page below the text. It is intended for the user to write their solutions.