2022 Low Income Needs Assessment

LIOB SUBCOMMITTEE MEETING

JULY 21, 2020

Today's Discussion

- ## Overview of the Low-Income Needs Assessment

    - o Roles & Responsibilities
    - o Process Reminders
    - o Opportunities for public input

- ## 2022 study objectives & research questions

    - o Overall objectives
    - o Potential Research questions
    - o Stakeholder input

- ## Timeline and next steps

2022 Low Income Needs Assessment (LINA)

OVERVIEW

2022 LINA Overview
Roles and Responsibilities

- Energy Division is project lead & provides overall direction

- LIOB advises and provides input esp. during project planning

- SCE rep. provides day to day project management for ED & IOU reps.

- SCE rep. manages contract with consultant on behalf of team

- IOU EM&V reps. jointly support and advise on project execution

- LIOB and stakeholders provide input at identified project junctures

2022 LINA Overview
Project process & execution reminders

Study execution & value of results hinge on study implementation processes and expectations of the results. For example, tradeoffs associated with:

- ✓ Frequent vs. less frequent opportunities for input
- ✓ Detailed, well-defined vs. general objectives
- ✓ Expansive number vs. few study objectives
- ✓ Historically comparable vs. new objectives
- ✓ Consultant work vs team review deadlines
- ✓ Statistically significant vs. directional results

2022 LINA Overview
Opportunities for public review & input

- ✓ December 2019 – Discussion of 2019 results & recommendations

- ✓ January 2020 – Discussion of study topics for consideration

- ✓ April 2020 - Discussion of refined work scope & objectives

- ✓ July 2020 – Discussion of final work scope & objectives-

- ❑ January 2021 – Discussion of proposed research plan

- ❑ July 2022 – Discussion of results and draft report

- ❑ November 2022 – Discussion of report and recommendations

2022 Low Income Needs Assessment

PROPOSED OBJECTIVES

2022 LINA proposed objectives
Rationale for focus on rental market

- Limited information on large underserved rental population
- Limited information on customer benefits by addressing split incentive needs of property owners
- Limited information on customer needs w/ respect to type and size of property (including market rate and single family)
- Prior research suggests relatively more significant energy needs and opportunities customers renting single family dwellings.

2022 LINA proposed objectives
Key Study Objectives

- Identify overall size and demographics of CA's low-income rental & owner market(s)
- Understand common & unique needs of low-income renters
- Identify how ESA measures and services mitigate hardships and/or provide bill and energy savings for renters
- Understand program, policy, and market barriers and potential program solutions to serving renters

2022 LINA proposed objectives
Potential Research Questions

a. What differentiates LI rental/owner markets in terms of burden, household size, size of dwelling, vintage of dwelling/equipment, disability status, age, ethnicity, eligibility, willingness to participate, etc.?

b. Where are key rental markets located and why?

c. What are the main energy needs of different types of rental customers?

d. To what extent are different types of rental customers served by ESA program policies, measures, and services?

e. What new/different needs are emerging due to Public Safety Public Shut-off (PSPS) events, wildfires, and Covid-19?

f. To what extent can their usage levels be mitigated by ESA program measures/interventions?

g. What are the barriers to identifying (and treating) eligible customers in deed and/or non-deed restricted properties?

h. What measures or services may mitigate hardships of renters (despite minimal or no savings)?

i. To what extent will these require/not require landlord approvals or involvement?

2022 Low Income Needs Assessment:
Discussion

2022 Low Income Needs Assessment

NEXT STEPS

2022 LINA next steps
Draft Schedule

Pre-Study activities   **March 2020 - December 2020**

    Initial public workshops to solicit feedback on proposed scope
    Finalize & obtain approved study scope
    Prepare and disseminate Request for Proposals
    Bidding and contracting process

Study Execution   **January 2021 – June 2022**

    Refinement of research plan
    2nd public workshop& comment period
    Data collection and analyses
    Draft results and additional analyses

Review results, draft & final reports   **July 2022 - November 2022**

    Initial study team review of prelim results
    3rd public workshop & comment period on draft report
    Review/edit draft and final reports & post FINAL Report

2022 LINA next steps
Wrap Up

NEXT STEPS:

1. Presentation deck available July 14, 2020 via LIOB website and service lists
2. Bidder registration closes July 20, 2020
3. Final written comments due July 28, 2020
4. Target release date for RFP August, 2020

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2022 Low Income Needs Assessment

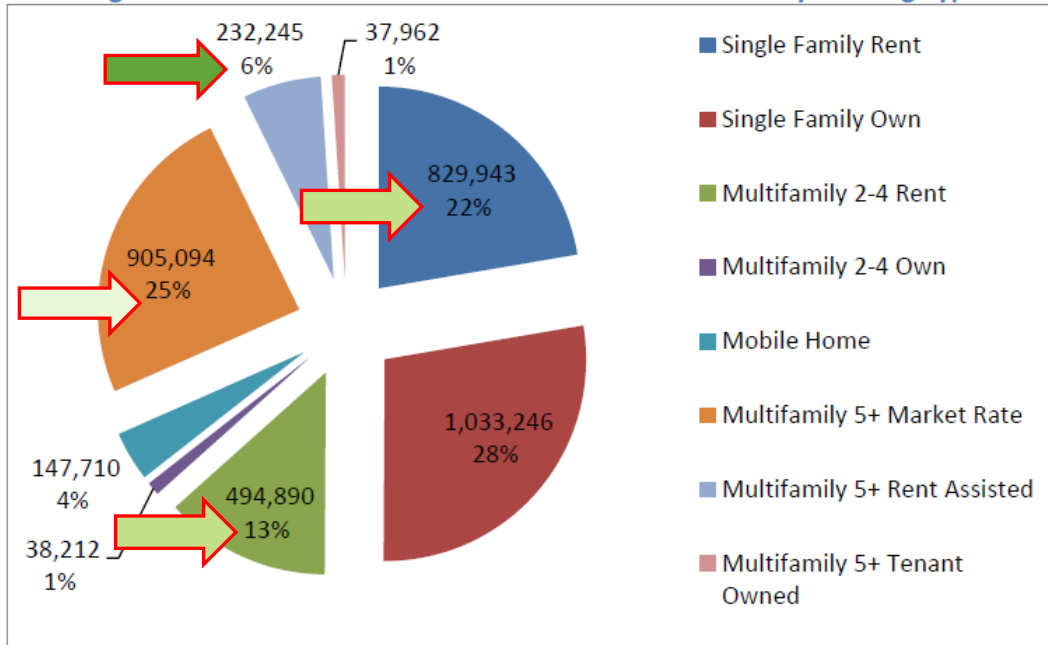ESTIMATES SIZE OF CA'S LOW-INCOME RENTAL MARKETS

Snapshot of Low-Income Market

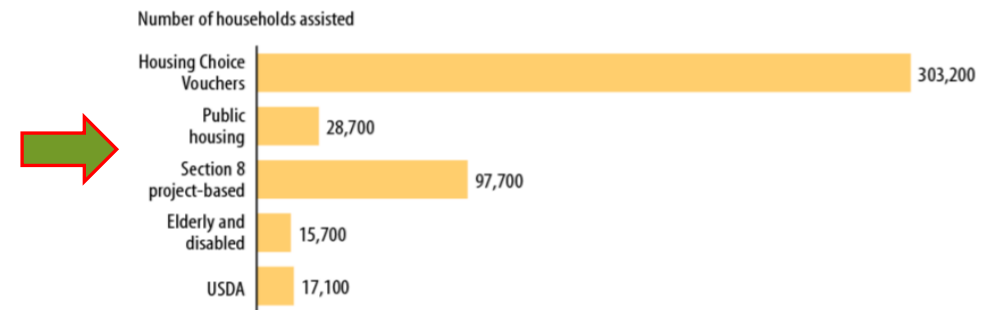| Market	Market Size*	Profile	Target Market	Market Size	Profile
SF Homeowners	**28%**	High Energy Burden & Insecurity Biggest Recipients of ESA More measures available Fewer barriers Eligible for SCE BE Pilot Learn from SJV/DAC pilot	**MF Landlords– Deed Restricted**	NA	Recipients of Building Electrification Recipients of ESA CAM Easier to find
SF Renters–market rate	**17% (est)**	High Energy Burden and Insecurity Split Incentive Barrier Hard to find Learn from SJV/DAC pilot	**MF Renters–Deed-Restricted**	**3%**	Low Energy Burden Split Incentive Barrier
SF Landlords-market rate	NA	NA – Burden Split Incentive Barrier	**MF Landlords - section 8**	NA	NA – Burden Split Incentive Barrier
SF Renters-Section 8	**5% (est)**	High Energy Burden Split Incentive Barrier	**MF Renters - Section 8**	**4%**	Low Energy Burden Split Incentive Barrier
SF landlords–Section 8	NA	NA – Burden Split Incentive Barrier	**MF Landlords - Market Rate**	NA	NA – Burden Split Incentive Barrier
Mobile Homes	4%	Moderate Energy Burden Renters & Owners?	**MF Renters - Market Rate**	**28%**	Low/Moderate Burden Split Incentive Barrier Hard to find

* Market Size = % of LI customers eligible based on Statewide estimates from LINA and MF as per Census data. According to 2019 G&P analyses, relative to other IOUs SCE has larger share of SF and smaller share of MF. Athens (annual eligibility estimates) may have more accurate utility specific numbers via his analyses of secondary variables.

Low Income Rental Market

Figure 2. Estimated Number of Low-Income Households by Housing Type

- Single Family Rent — 829,943 (22%)
- Single Family Own — 1,033,246 (28%)
- Multifamily 2-4 Rent — 494,890 (13%)
- Multifamily 2-4 Own — 38,212 (1%)
- Mobile Home — 147,710 (4%)
- Multifamily 5+ Market Rate — 905,094 (25%)
- Multifamily 5+ Rent Assisted — 232,245 (6%)
- Multifamily 5+ Tenant Owned — 37,962 (1%)

funding into California in 2016.

What Major Types of Federal Rental Assistance Do California Families Use?

Number of households assisted

- Housing Choice Vouchers — 303,200
- Public housing — 28,700
- Section 8 project-based — 97,700
- Elderly and disabled — 15,700
- USDA — 17,100

- Nearly 70% of California's low-income market are renters
- Single family renters make up circa 35% of the LI market and more than 50% of the renters.
- MF market-rate renters make up more than 1/3 and less than 10% reside in rent-assisted properties
- Initiatives targeted at deed-restricted MF properties address less than 5% of the low-income market
- Single family renters have significantly greater energy usage and higher energy bills.