



2022 Low Income Needs Assessment (LINA)

Report Webinar

October 25, 2022

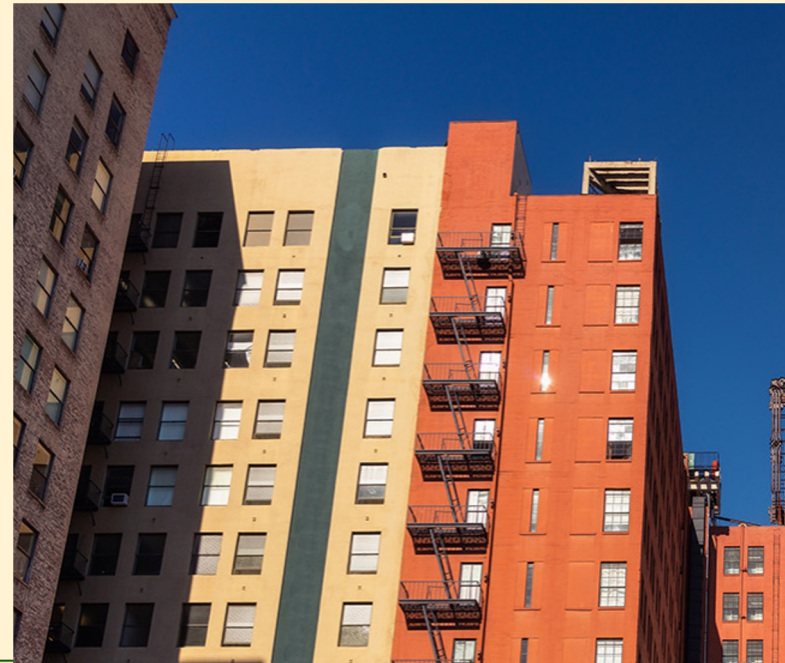


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Study Objectives

Overarching research goals:

- Identify size of the low-income rental and owner markets
- Identify renter energy needs addressed/not addressed
- Outline specific needs within renter subgroups
- Outline program, policy and logistical barriers and opportunities
- Recommend modifications to the ESA program to address renter energy needs and maximize benefits



Research methods and analyses included:

- Characterization of the low-income market based on secondary data sources
- Phone/web survey (n=1,127) with low-income renters
- Follow-up interviews (n=36) with a subset of renters
- ESA contractor interviews
 - Understand experience reaching and treating renters (n=11)
 - Understand property owner related barriers (n=8)

Market Characterization

► **Purpose:**

Characterize California's low-income customer market

► **Analyses included:**

- Eligible population
- Share of utility bills
- Subgroups for sample frame
- Program penetration

The market characterization included analysis using existing data sources:

- Utility data (CIS, ESA, CARE)
- Market study data (2019 RASS, HEUS, Evergreen Multifamily Study)
- 2019 Census ACS data (demographics)
- Other secondary sources (2019/20 Athens, CoStar, Princeton Eviction database)

Customer Survey (n=1,127)

► Purpose:

Understand renter needs, specifically within subgroups identified in market characterization.

► Approach

- Phone and web
- English and Spanish
- October 2021 to March 2022

Topics Included

- Demographics
- Finances
- Cost reduction activity
- Energy use
- Relationship with landlord



Research Methods

Customer Survey

Climate groups:

Created four groups

Housing type:

SF, MF 2-10 and 11+

Ownership structure:

Subsidized vs. market rate

Unique needs:

Senior-led households, large households, subsidized households, disabled member in house, other language in home, single parent home

Climate Zone Groups for Sampling



CZ Group



1: N Coast (1, 2, 3) more moderate temperatures. Requires more heating.

2: S Coast (5, 6, 7) more moderate temperatures. Requires more cooling.

3: Central (4, 8-13)

4: East/Mtn (14,15,16) more extreme temperatures

Phone Survey Completes by Climate Zone Group and Housing Type

Home Type	CZ Group 1	CZ Group 2	CZ Group 3	CZ Group 4	Total
Single Family	71	41	59	51	222
Multifamily (2-10 units)	78	79	100	55	312
Multifamily (11+ units)	156	137	199	101	593
Total	305	257	358	207	1,127

Phone Survey Completes by Subgroups

Home Type	Large Family	Elderly	Disabled	Other Language Spoken in Home	Single Parent	Subsidized	Market Rate
Single Family	80	33	56	108	24	28	194
Multifamily (2-10 units)	58	69	88	160	33	44	268
Multifamily (11+ units)	90	260	186	264	71	191	402
Total	228	262	330	552	128	263	864

Contractor Interviews

Initial Interviews (n=11)

- ▶ Designed to learn more about contractors' experiences implementing ESA, ascertain their perspectives on energy needs of low-income renters, understand their experience reaching non-English and non-Spanish speaking households

Additional Interviews (n=8)

- ▶ Designed specifically to gather additional information on property owner perspective and barriers to treating rental properties

Note: Research plan included interviews with property owners, but inability to reach property owners directly necessitated alternative approach to understanding key issues and barriers.

Research Results

Presentation focuses on following areas

- Eligible renter population
- Energy burden
- Willingness to participate in ESA
- Reasons for not participating in ESA
- Relationship with landlords

Research Results

California's Low-Income Owners and Renters



Climate Group	Renters	Owners
1	71%	29%
2	72%	28%
3	70%	30%
4	59%	41%
Total	68%	32%

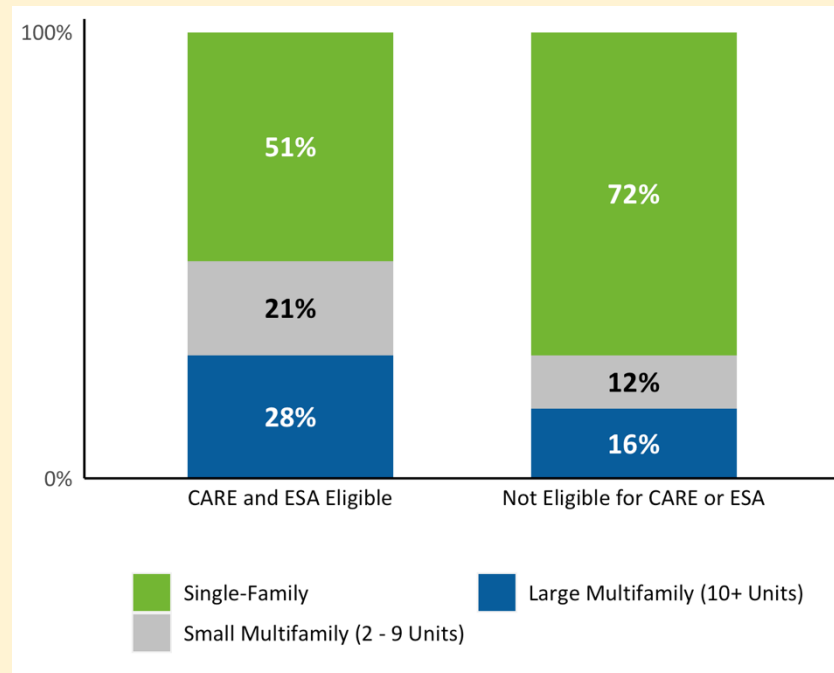
IOU Served	Climate Group 1	Climate Group 2	Climate Group 3	Climate Group 4
PG&E	35%	3%	55%	6%
SCE	0%	16%	66%	18%
SDG&E	0%	66%	31%	3%
SoCalGas	0%	13%	75%	12%

California's Low-Income Owners and Renters

- Comparing energy costs for ESA-eligible renters and owners:
 - Lower energy bills (\$1,308 annually for renters compared to \$2,016 for owners); and
 - Lower overall energy burdens (6.8% for renters compared to 9.4% for owners).

Research Results

Home Type by ESA/CARE Eligibility



- 51% of eligible renters live in SF homes, compared to 72% of renters that are ineligible.

Research Results

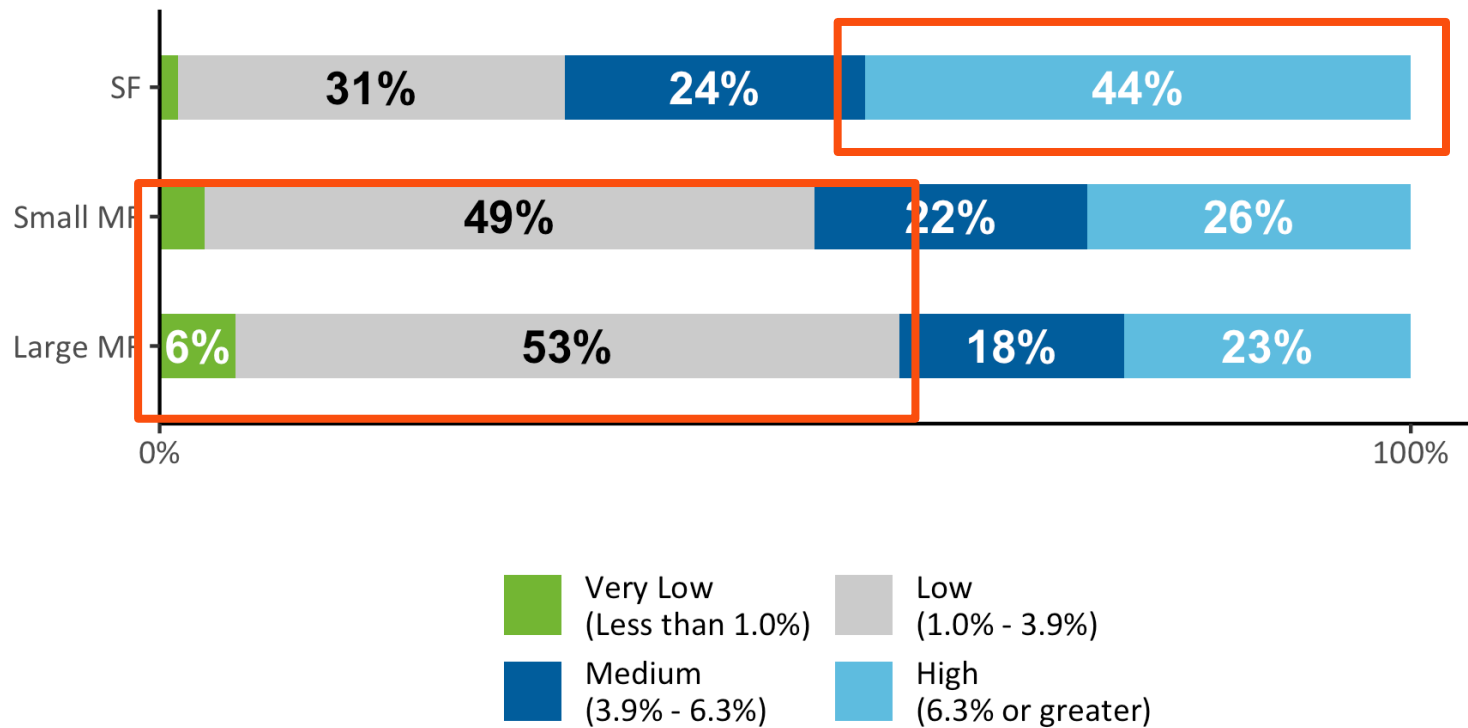
Energy Burden by Housing Type

Home Type	Average Annual Income	Average Percent FPL	Average Energy Bill	Average Energy Burden
	\$22,900	103%	\$1,300	6.8%
Single-Family	\$26,600*	109%	\$1,900*	8.6%*
Small Multifamily	\$22,900*	104%	\$1,200*	6.8%*
Large Multifamily	\$19,800*	98%	\$900*	5.4%*

- Customers renting single-family homes have greatest energy burden.

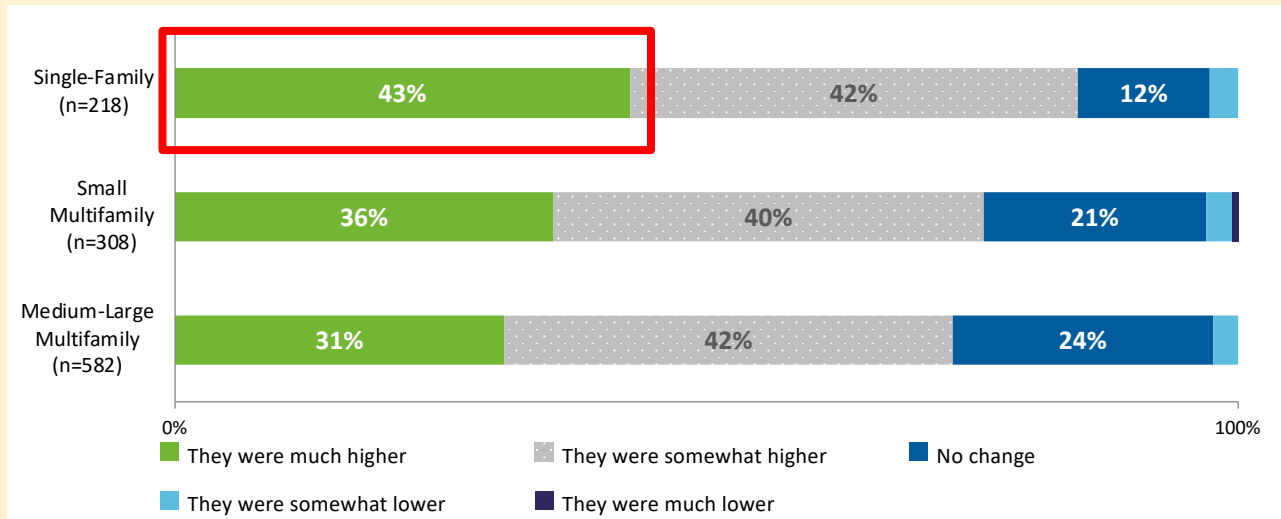
Research Results

Modified Energy Burden by Housing Type



Research Results

Covid-19 Impact on Energy Bills



- Most renters impacted by higher bills after stay-at-home orders; greatest impact for SF renters

Research Results

Renter Sub-Populations

Sub-Population	CARE-Eligible Renters	Not CARE-Eligible Renters
Disabled person in the home	32%	15%
Elderly person in the home	26%	14%
Home led by a single parent	22%	12%
Large family	18%	12%
Non-English primary language	56%	46%
No English speakers	21%	7%
No English and no Spanish speakers	8%	3%



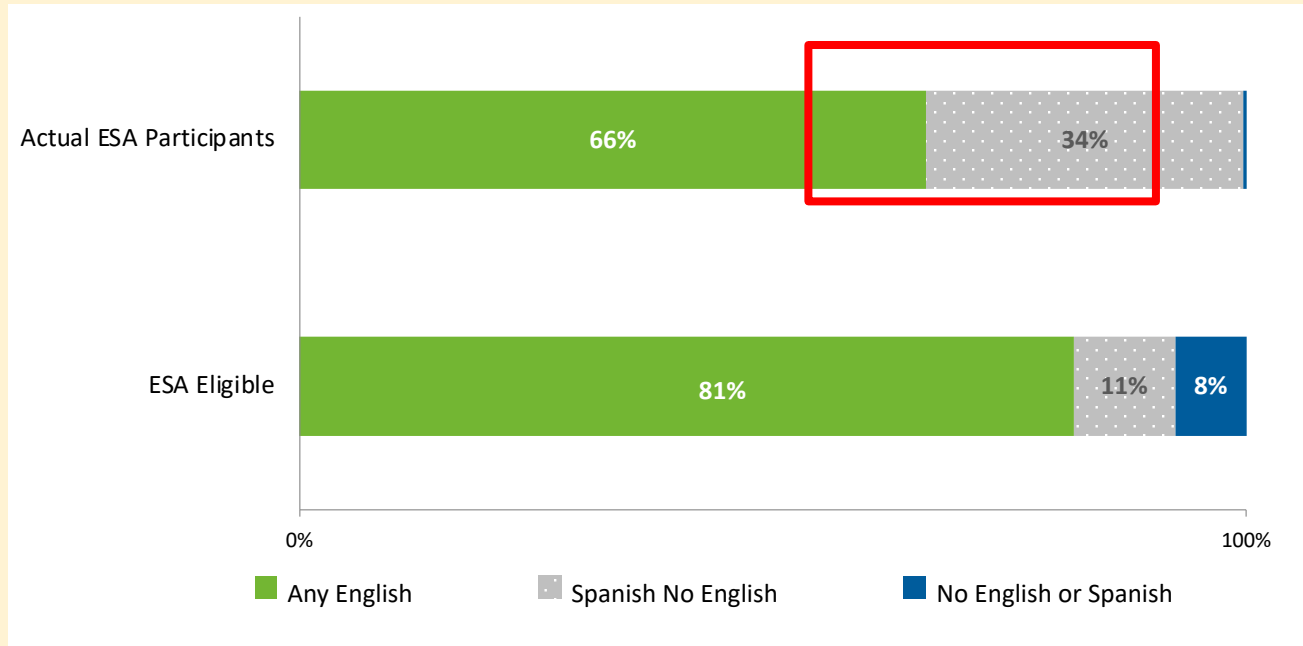
Research Results

Market vs Subsidized Homes

- Subsidized housing tenants are more:
 - **Willing to participate** in ESA (64% vs. 50%)
 - Likely to report it's challenging to pay energy bills
 - Have **smaller homes** (also more likely to be MF)
- Market rate tenants:
 - More likely to have negotiated a payment plan
 - Have higher incomes on average, but also higher bills (related to having larger homes) thus **higher burdens**
 - Older homes (more built before 2000)

Research Results

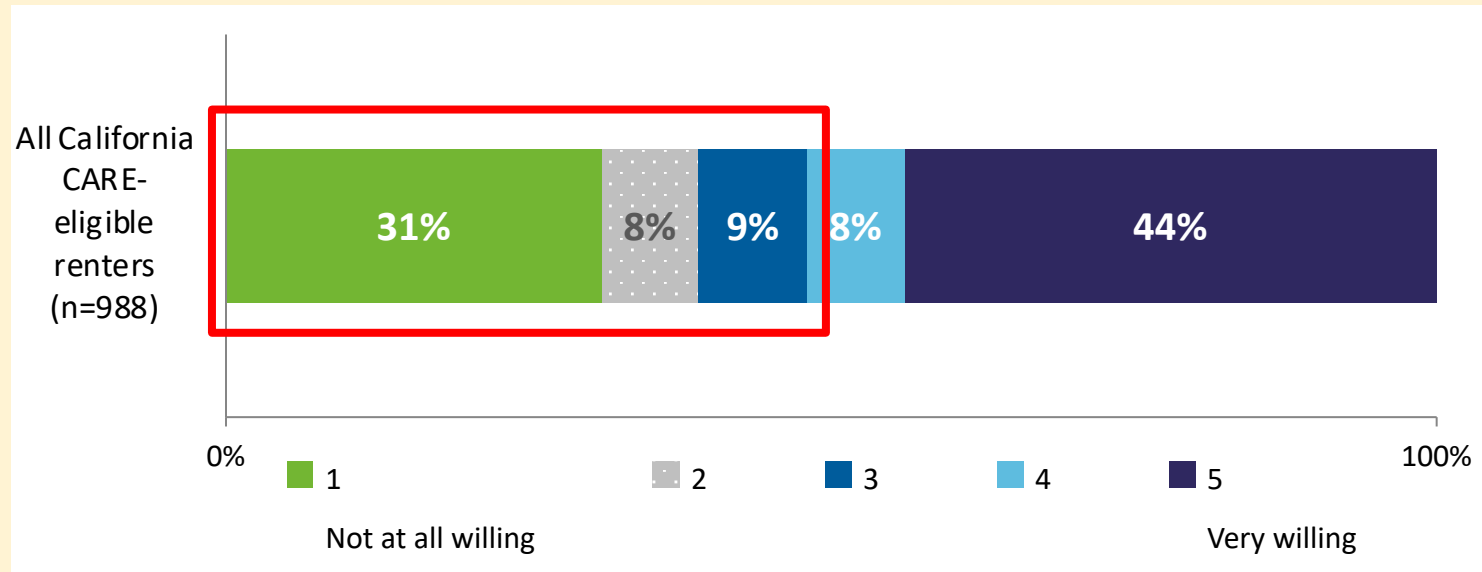
ESA Program Penetration by Language



- Spanish-speaking renters are over-represented in ESA relative to the eligible population.

Research Results

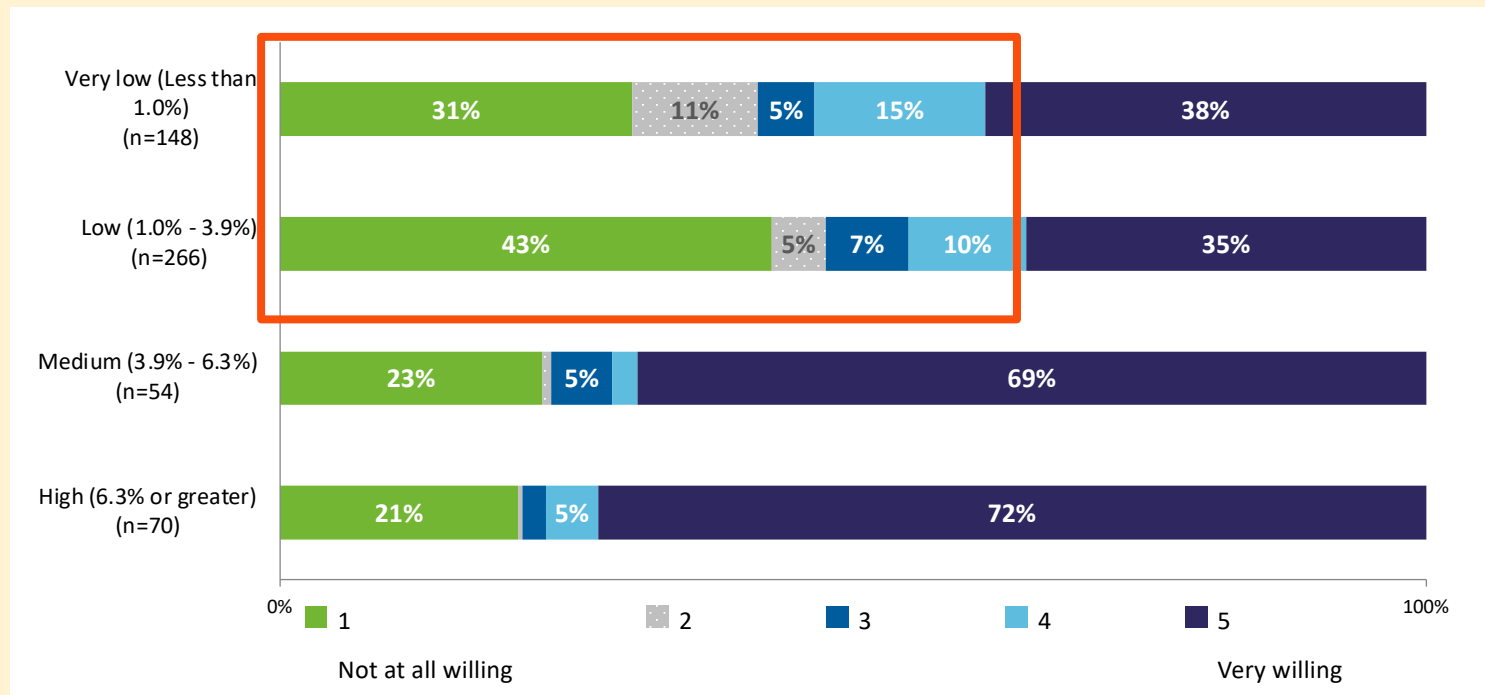
Willingness to Participate in ESA



➤ Renters generally less interested in ESA.

Research Results

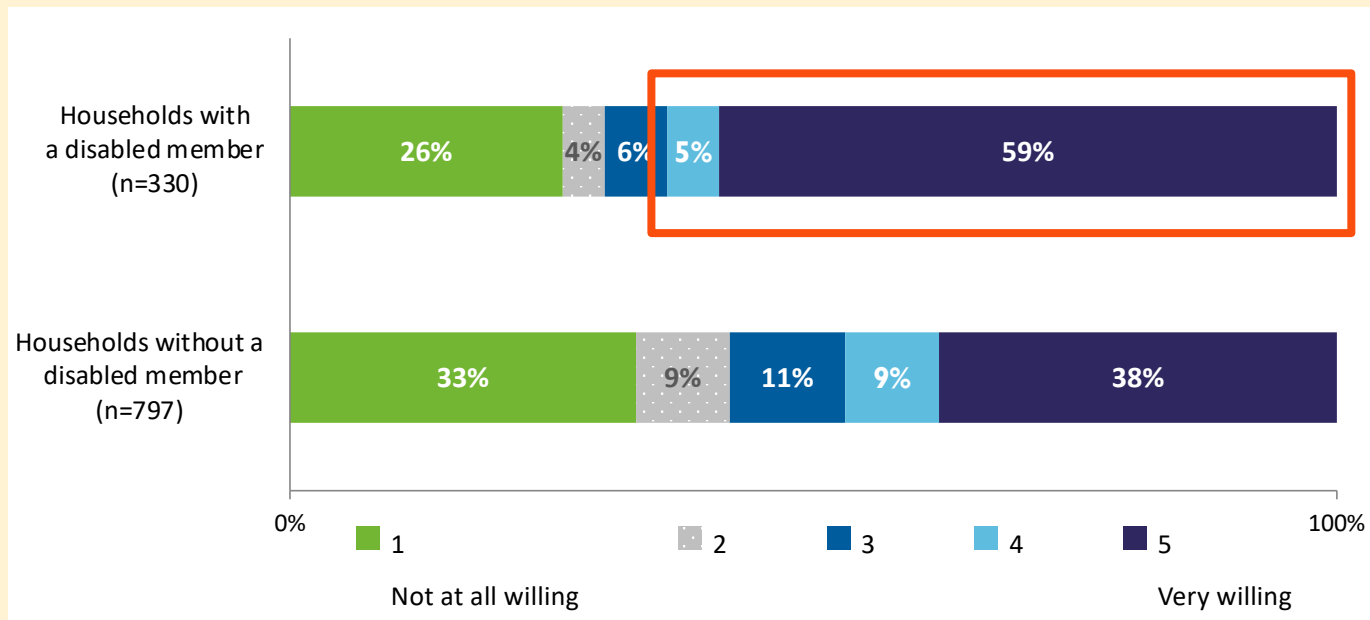
Willingness to Participate by Energy Burden



- Most renters have low energy burdens and are less willing to participate in ESA.

Research Results

Willingness to Participate by Disability Status



➤ Disabled households more interested in ESA.

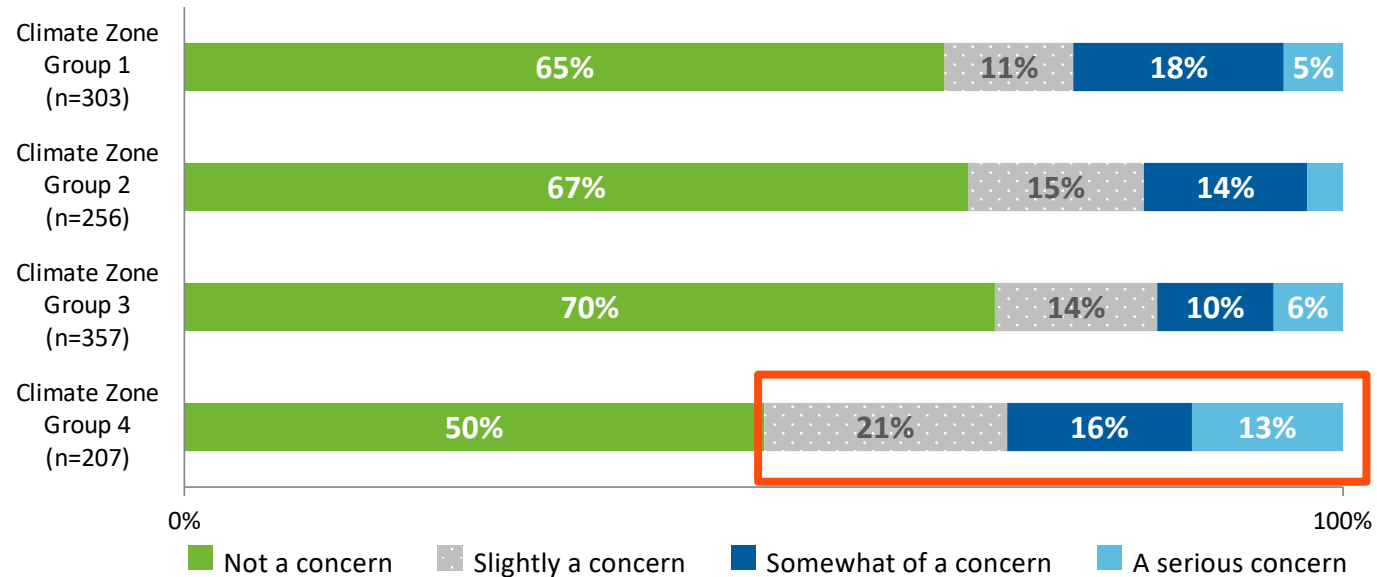
Research Results

Reasons for Disinterest in ESA

Reasons for lack of interest in ESA	% of Population
We already have energy efficient appliances (n=453)	66%
There is little we can do to save energy beyond what we are already doing (n=451)	60%
It's too much trouble to get approval from the landlord (n=419)	47%
The program doesn't appear to offer much that would help us save energy (n=424)	45%
We don't want strangers in our home (n=484)	44%
We don't want to provide the personal information required to participate (n=473)	42%
Our bills are low already (n=463)	41%

Research Results

Air Quality Concerns



- Renters in Inland/Mountain areas (Climate Group 4) are more concerned with air quality.

Landlords

- When asked about general issues that respondents chose **not** to bring to their landlords....
 - 41% reported that they did not want to “annoy their landlords” about their concerns. (higher for SF)
- Other concerns included:
 - Fears that rent would be raised (higher for small MF)
 - Skepticism about program being free (higher for small MF)
 - Concerns landlord won’t do anything (higher for MF)
- MF renters also more likely to report landlords are not onsite or nearby.



Summary of Findings

- Renters are a large portion of the low-income market
- Overall, renters have lower energy bills and burden relative to low-income owners
- A small proportion of renters reside in deed-restricted properties
- Renters have smaller spaces and energy use
- Renters report low need and low interest in ESA
- Landlord relations not the biggest barrier preventing ESA participation, but still may be a factor



Summary of Findings

- Among the renters, single-family renters have the greatest energy use, highest bills, and greatest energy burden. This is in part due to larger home size.
- Program effective in recruiting non-English speaking households.
- Renters in some vulnerable subgroups may benefit more from ESA (due to non-energy benefits) and may be more willing to participate.



Recommendation 1

Prioritize single family renters over multifamily renters for ESA

- MF renters have lower energy bills and energy burdens, less potential benefits from ESA measures than single family homes (both SF renters and owners).
- MF renters show a low level of interest in ESA due to belief that home is already efficient (consistent with low energy burden).
- MF renters have more issues about approaching landlords than SF renters, but landlord issues not as important as belief that home is already efficient and bills are low.

Recommendation 2

- A. If targeting renters, develop outreach strategy that engages tenants and property owners simultaneously.**
- B. Communicate to tenants the program will work with the landlord on their behalf.**

- Of the 15% of respondents who reported NOT bringing up recent issues with landlords:
 - 47% worried about annoying landlord if they raise issues
 - 39% concerned about rents being increased
 - Tenants don't believe landlord will do anything if they ask (46% in large MF, 17% in SF)
 - 9% (SF) to 35% (small SF) report landlord is not onsite or nearby

Recommendation 3

Modify program outreach messaging to leverage specific sub-population and geographic findings.

- Emphasize ventilation and pollution protection benefits, particularly for renters in the Mountain/East areas (Climate Group 4).
 - Emphasize potential bill reduction benefits from HVAC-related measures in the North Coast region (Climate Group 1).
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- Renters in Climate Group 4 most concerned about indoor air quality (50% indicate at least some concern).
 - Renters in Climate Group 1 (North Coast) have highest percent with high burden (36% with an energy burden of 6.3% or higher) and gas burden (34%). Likely due to higher need for heating.



Recommendation 4

Increase program outreach to renter households with seniors, disabled residents, or a larger number of residents.

Update program marketing materials to emphasize health benefits of program HVAC-related measures, particularly for homes with seniors and/or members with health problems.

- 59% of renter households with a disabled person indicate that they are very interested in ESA.



Final Research Report

Next steps

- Provide written comments on the draft report to the Public Documents Area by **November 14, 2022**
<https://pda.energydataweb.com>
- Evergreen will review comments and incorporate as appropriate into a Final Report
- Evergreen will provide written disposition to all comments received
- Final report, appendices, and responses to comments will be available and posted on CPUC's public documents area by **December 5.**



Contacts

Comments and questions can be directed to:

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Discussion / Questions

