

City Council resolution for The MLGW Save Energy Save Dollars Program

Whereas, the Memphis City Council recognizes the need for weatherization efforts to be expanded to reach the forty thousand low income families in our community who struggle to pay their bills and must decide between doing so and paying their food and medical bills, or for their children's education; and,

Whereas, the Memphis City Council asserts that our residents should have the opportunity to live in homes that are warm in the winter and cool in the summer;

Whereas, the energy burden on many low-income residents is so great that it makes that impossible because they have to pay up to an estimated 25% of their after-tax income for their utilities; and,

Whereas, the burden of paying high utility bills has led to and contributed to multi-generational poverty in our city; and,

Whereas, the Memphis City Council has previously determined and affirmed that the residents of the City of Memphis suffer under one of the highest energy burdens in the country; and,

Whereas, the City of Memphis and Shelby County Tennessee, has one of the largest concentrations of people living at or below the poverty line in the US; and,

Whereas, despite having relatively low utility rates, Memphis and Shelby County has some of the highest energy burdens in the country. Overall, an average Memphis family is paying twice the national average to keep the lights on. But low-income and minority communities pay far higher – with these families paying anywhere up to 25% of annual income on utility bills; and,

Whereas, poor housing conditions, pervasive poverty and limited energy efficiency programs all contribute to Memphis' high energy burdens.

Whereas, historically, MLGW weatherization programs have been limited in funding and scope have not invested enough in energy efficiency and weatherization; and,

Whereas the Memphis City Council, and MLGW recognize that continuing the “Save the Pennies” project which helps to provide utility bill assistance to its low income customers, is a noble and humane effort, funded by the benevolence of MLGW customers, that is used to help low income customers pay their utility bills; and,

Whereas, MLGW's “*Share the Pennies*” program, is focused on “pennies” and paying the utility bills, is not enough to deal with a problem the size of the Memphis Energy Burden; and,

Whereas, the scope of Memphis' energy burden problem impacts the lives of an estimated 40,000 low income residences in Memphis that need weatherization, energy efficiency

improvements and appliances, in order to reduce energy consumption and therefore costs. And, it would take “*Share the Pennies*”, 106 years to serve the weatherization needs of all these households and still not address the root causes; and,

Whereas, an “energy efficiency and weatherization” program can build on momentum of existing studies and programs towards a large-scale solution to the “Memphis Energy Burden” by encouraging collective community efforts; collaborating with local and national energy efficiency experts and build neighborhood by neighborhood community support for common sense energy efficiency solutions; and,

Whereas, an “energy efficiency and weatherization” program, making comprehensive weatherization and energy efficient measures in the residences of the 40,000 low income Memphians who suffer the Energy Burden, could dramatically reduce the amount of energy they waste due to poorly weatherized homes each month; and,

Whereas, an “energy efficiency and weatherization” program could also include customer awareness, education and a major initiative for lower-cost, clean renewable energy and transparent bills that give clear guidance on energy saving measures, to address the root causes; and,

Whereas, an “energy efficiency and weatherization” program could also calls for MLGW to help make weatherization and energy efficient measures available thru grants and low interest energy efficiency loans; and,

Whereas, an “energy efficiency and weatherization” program would also create hundreds of jobs for the providing and installing of “energy efficiency and weatherization” measures for the residences of low-income citizens; and,

Whereas, an “energy efficiency and weatherization” program will require a commitment and investment of five years of concerted efforts to get control of the “Energy Burden” problem, and is a long-term investment time and resources, that will pay dividends on a better future; and,

Whereas, The Washington DCSEU is an excellent example of this approach to addressing the residential, commercial and industrial energy efficiency and weatherization efforts in a community, freeing it of Energy Burdens and generating economic benefits, jobs and more money in households as a return on the investment; and,

Whereas, the cities of Knoxville and Chattanooga, Tennessee, have “energy efficiency and weatherization” programs that are pursuing a similar success using the same approach to help their low income citizens with their energy burden; and,

Whereas, The Memphis City Council is asking that MLGW, develop the Memphis approach to the Energy Burden, for our poor and low-income citizens and catch up to and surpass Knoxville, Chattanooga and even Washington, DC efforts, within the next five years; and,

Whereas, the City of Memphis City Council and MLGW “energy efficiency and weatherization” program could, in keeping with the relative size of Memphis, could reach all of the low-income customers in Memphis within a five years, if it starts the effort this year; and,

Whereas, *Such a program should:*

- Encourage MLGW to invest more in Memphis in direct weatherization grants, on-bill financing loans tailored to Memphis needs and demographics using other innovative approaches and resources at their disposal; and,
- Support job training program to support and address increased need for increased weatherization and contract jobs;
- Help consolidate weatherization and energy efficiency education programs into a one-stop shop for services for residents;
- Increased investment in education programming for behavioral changes that can reduce energy costs by focusing on conservation and consumption; utilize its recently deployed Smart Meters to allow true demand side management of energy consumption; and,

Whereas, the Memphis City Council remains committed to addressing the Memphis “energy burdens” and working to create solutions that will foster expansion of home weatherization programs, energy efficiency direct install programs, energy efficiency education programming and the creation of diverse funding sources that could support growth of these programs including but not limited to job training and employment expansion, as well as ensuring ongoing oversight of all public programming in this space; and,

Whereas, MLGW should issue \$250 million in energy efficiency bonds to fund or guarantee low interest weatherization and energy efficiency loans repayable on borrowers utility bills from the savings they bring, and grants, to allow the energy efficient repairs to be made, a Request for Proposals for a formal partner on the proposal, which if awarded, would allow the an “energy efficiency and weatherization” program to hire staff or consultants to manage and contractors to provide weatherization services and repairs for low income;

Whereas, the Memphis City Council believes that improved weatherization of energy efficient energy and efficient residences and more education about how to conserve utility services would benefit and at-risk and all segments of its customer base; and,

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MEMPHIS:

That MLGW create an energy efficiency and weatherization program in the next fiscal year.

That such an efficiency/weatherization program should be developed by MLGW during the remainder of this fiscal year and should seek to meet the following criteria:

- (1) The program should seek to decrease participants bills by at least 20%
- (2) The program should seek to reach at least 50% of low-income families within 5 years
- (3) The program should be initially financed through bonds issued by MLGW with repayment by on-bill financing from the savings incurred by MLGW customers who benefit
- (4) The program shall include contractor training to undertake efficiency/weatherization upgrades with all labor provided locally and by union workers.
- (5) Removal of fixed charges from the utility bills.

That, MLGW present a plan to undertake said program by no later than Dec 31, 2019

That, The City Council, authorizes MLGW to implement a an “energy efficiency and weatherization” program that will fund the weatherization of energy inefficient homes owned or rented by low income MLGW customers; and,

That, MLGW submit a proposal for approximately \$250 million to develop and deliver an “energy efficiency and weatherization” program in Memphis; and

That, the MLGW an Energy efficacy and weatherization program track and measure the weatherization and energy efficiency efforts and recommend the best way to systematically improve Memphis’s older housing stock accordingly; and where these funds were applied to weatherization or energy efficiency education, and where there were currently no utility energy efficiency programs that adequately targeted or in incentivized low income landlords or individual homeowners, and the effect and progress of the efforts; and,

That, MLGW lead thru this “energy efficiency and weatherization” program initiative to improve the comfort, quality and affordability of low-income homes through energy efficiency; and

That, the “energy efficiency and weatherization” program provide for assistance and education in helping to reduce energy usage and consumption caused by waste, for low income residents, homeowners and apartment dwellers and utilize its recently deployed Smart Meters to allow true demand side management of energy consumption; and

That, the “energy efficiency and weatherization” program objective of delivering energy usage (kilowatt hour) reductions per residence of at least comparable to those in the Knoxville, and Chattanooga, Tennessee and Washington, DC-SEU; and

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That, the “energy efficiency and weatherization” program improve the quality of life for residence and or homeowners by increasing the energy efficiency and comfort of their homes, by improving the homes’ thermal envelope, upgrading the systems and technologies within the home, performing pre-and post-implementation audits to determine that the energy savings, and educating the residence and or homeowners on the intended operation and proper care of the home, system, and technologies; and,

That, the “energy efficiency and weatherization” program develops approaches, tools and resources for educating residence and or homeowners, consumers, and communities on the benefits of all home, deep energy retrofit improvements using all available avenues and techniques available; and,

That the MLGW’s fiscal plan and budget request for FY20 include financing for the program.

That the “energy efficiency and weatherization” program:

- (1) Identify, address and implement a program to provide comprehensive energy efficient and weatherization or energy efficiency programs to the low-income customers in the community service area.
- (2) Track progress and energy savings realized through the weatherization programs.
- (3) Determine and apply best practices and guidelines for implementation of both the City of Memphis and MLGW “energy efficiency and weatherization” programs, including an appropriate Quality Assurance or Quality Control method and contractor recruitment guidance.
- (4) Ensure efficient use of funds to avoid awarding multiple program funding to any one household in one fiscal year.

That, the Memphis City Council resolves and authorizes MLGW to develop the “energy efficiency and weatherization” program in substantially the same form as the one attached hereto, and to return and present same to the City Council for approval by fiscal year 2021.