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New report finds electric utility investments in low-income weatherization declined 26 percent since Ohio froze energy-efficiency standards

Revival of weatherization programs could create 2,400 jobs, generate \$1.77 billion in energy savings

COLUMBUS, Ohio — Ohio’s 2014 freeze of its energy-efficiency standards reduced electric utility home-weatherization efforts for low-income households by 26 percent. Weatherization services reduce need for struggling families to seek utility payment assistance plans, reduce costs of ratepayer-funded assistance programs and create job opportunities in Ohio’s energy economy.

These are the findings of a study released today by Policy Matters Ohio and NextGen Climate America, in partnership with Green for All and Ohio Partners for Affordable Energy.

“Ohio’s stalled progress towards transitioning to a clean-energy economy is hurting the state in many ways,” said David Weiskopf, attorney at NextGen Climate America. “Cuts to weatherization and energy-efficiency programs, combined with the state’s freeze on its renewable standards portfolio, is costing Ohioans jobs and economic opportunities.”

Between 2008 and 2014, Ohio’s energy-efficiency requirements for investor-owned electric utilities led to a nearly seven-fold increase in low-income home weatherization investments by the utilities. In 2009, electric utilities were required to achieve 0.3 percent energy savings in their territory for that year; 1.0 percent annually starting in 2014; and then 2 percent per year starting in 2019. But in 2014, Governor John Kasich signed into law a bill freezing the standard for two years while a legislative committee assessed whether to eliminate it altogether, and this September the committee recommended extending the freeze indefinitely.

Among a host of troubling provisions, the freeze suspended Ohio’s efficiency requirements for electric utilities. Once frozen, electric utility investments in low-income home weatherization declined by 26 percent.

“One of the many things the committee failed to consider when making this recommendation was that doing so would negatively impact cost-effective electric utility investments in low-income home weatherization by eliminating a major incentive to maintain a strong commitment to these programs,” said Amanda Woodrum, researcher at Policy Matters Ohio.

The report found that if Ohio were to adopt a program to weatherize 30,000 homes of customers enrolled in a payment-assistance program each year for 13 years, it would create nearly 2,400 jobs and produce roughly \$1.77 billion in energy savings for Ohio families. It would also cut in half annual costs to all ratepayers for implementing the Percentage of Income Payment Plan (PIPP) – a program that helps low-income Ohioans pay their utility bills. It would help electric utility companies meet their carbon-reduction requirements for the federal clean-air regulations.

In 2013, Ohioans spent nearly \$10 billion to heat and power their homes, with the average Ohio household spending \$2,171. Roughly one in five Ohio households is considered cost burdened by U.S. Department of Housing and Urban Development standards, paying more than 30 percent of their annual income on housing and utilities.

Ohio’s Home Weatherization Assistance Program (HWAP) — designed to lower utility bills through air sealing, insulation, furnace and appliance replacement and repair, and other related measures — helps end this cycle of energy poverty for low-income households. Roughly 400,000 Ohio households seek help paying their utility bills each year through PIPP. Robust weatherization programs can help to reduce this number.

“By permanently lowering utility bills, Ohio’s weatherization program reduces financial stress on low-income families and enables them to allocate more of their income towards other necessities, such as food, medication, and transportation,” said Dave Rinebolt, executive director of Ohio Partners for Affordable Energy, which works with weatherization programs in Ohio’s 88 counties. “Investment in weatherization also provides new jobs for Ohioans, both through the weatherization work itself, and from jobs created manufacturing more efficient products and other weatherization supplies.”

Reinstating Ohio’s energy-efficiency standards for electric utilities will revive utility investments in low-income weatherization. It will also help Ohio meet its carbon reduction requirements under U.S. EPA’s Clean Power Plan.

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NextGen Climate America

NextGen Climate America is a non-partisan, non-profit organization dedicated to creating a level playing field so that low-carbon advanced energy solutions can fairly compete with entrenched fossil fuel interests.

Policy Matters Ohio

Policy Matters, a non-profit policy research institute, creates a more vibrant, equitable, sustainable and inclusive Ohio through research, strategic communications, coalition building and policy advocacy.

Ohio Partners for Affordable Energy (OPAE)

OPAE is a membership-based nonprofit made up of 58 nonprofit agencies that provide weatherization services and bill payment assistance to low-income customers. The agencies provided energy-related services to over 380,000 families in 2014. OPAE manages five utility weatherization programs, and provides legislative and regulatory advocacy on behalf of its members and clients.