

**Considerations for discussion of 15 Climate Change Advisory Committee
Recommendations
Environmental Quality Council
Draft April 2008**

The information below is a summary of key points from the Montana Climate Change Action Plan and the associated appendices. The legislative and administrative options prepared by staff and participating agencies do not include an economic analysis.

RCII-11

Low Income and Rental Housing Energy Efficiency Program

(54% of participating EQC members voting 4 or 5 and 58% of the public voting 4 or 5)

✓ Increase energy efficiency by 30% in 50% of low income units by 2015.

Conservation Considerations:

- Reduce energy consumption
- Pages F-41 through F-45 Appendices

What's Being Done:

- Department of Health and Human Services provides low income weatherization and fuel bill assistance program. LIEAP is used to prioritize homes. For example, in the current year, the weatherization program weatherized about 1,800 homes annually, with 19,000 homes eligible and in need of weatherization. Currently, it is the income of the household at the time of application that determines eligibility.
- Warm Homes campaign initiated by Governor Schweitzer in 2006.
- AARP and Habitat for Humanity are two organizations that currently strive to educate people about existing programs.
- Low-income energy programs are funded either through federal money allocated to the state or through the Universal System Benefits program charge assessed to electricity and gas consumers, 69-3-1408, MCA and 69-8-402, MCA.
- Energy Share of Montana is a nonprofit organization funded by USB dollars and private and corporate donations. Energy Share helps Montanans faced with energy emergencies meet their needs by providing bill assistance, furnace safety, and weatherization.
- Public utilities and some electric cooperatives assist low-income Montanans by providing their LIEAP customers with an additional discount on their electric bills. Discounts range from 15% to 30%, depending on the utility and the fuel source. Some utilities and cooperatives also provide flexible payment options. Public utilities and electric cooperatives also help fund low-income weatherization.
- Tax credits. In 2006, about 3% of eligible Montana households used state tax credits for energy conservation.
- The 2007 Legislature approved House Bill No. 41 that eliminated restrictions on the use of the principal of the energy conservation and energy assistance account in the federal special revenue fund.

Potential Actions:

* Legislative or EQC options (not complete, intended to be starting point for discussion):

- Expand existing programs, additional funding sources.
- Revise existing USB program to change how funds are allocated and for what purposes.
- Grant program for qualified homeowners to complete weatherization projects.
- Tax credit program for landlords. Income tax credits for rental property owners who weatherize rental properties to meet energy efficiency standards.
- Utility bill disclosure. Require that at time of sale or rental disclosures include existing utility bills for a dwelling.
- Rental property efficiency programs. Command-and-control requirements, for example, a program for licensing or certifying energy efficiency of rental properties.
- Financing. Provide low-interest loans, aimed specifically at low income homeowners or rental property owners and managers, for energy efficiency improvements.
- Replace substandard housing. State support for financing or purchasing of efficient manufactured housing to replace manufactured (or other) housing that can't be practically weatherized. House Bill No. 2, approved during the May 2007 Special Session, authorized \$354,886 for a revolving loan program for manufactured home replacement.
- The 2007 Legislature also contemplated Senate Bill No. 210 to increase the individual income tax credit for energy-conserving expenditures. The bill included a proposed tax credit for taxpayers with a family income of less than or equal to 150 percent of the federal poverty level. The bill died in committee.

* Resolution or recommendation of intent

* No action

* Administrative options:

- Prioritize and increase efficiency in delivering existing weatherization dollars.