

Energy Efficiency Advisory Council
Public Hearing Testimony
January 10, 2012

Hello, my name is Jeremy Shenk, and I am the Deputy Director of Community Labor United, a long-term coalition of 8 community groups and 7 labor unions dedicated to protect and promote the interests of working class families and communities of color in Greater Boston. Community Labor United convenes the Green Justice Coalition, a broad-based partnership that has grown to more than 50 organizations that is working to build a socially just and environmentally sustainable economy, and together we represent over 100,000 ratepayers throughout Massachusetts.

Through the Green Communities Act and the creation of this council, we have spent the last three years as active partners in developing plans for reaching our climate goals. It is an important process that has encouraged and inspired our coalition partners to determine the direction of how we choose to build more sustainable and just communities. While it may not be perfect, this process is profoundly democratic and has led to innovations in programs and partnerships that would not have happened otherwise.

We are particularly thankful for the good working relationships we have built with people like Penni Conner, Tina Haggerty, Charlie Olsen and Jan Guddell at NSTAR, Carol White and Monica Ibrahim at National Grid, John Walsh and Dick Oswald at WMECO, folks on the other utility companies and all of you on the Energy Efficiency Advisory Council. We have been able to work closely with Danielle Rathbun, Jed Nosal and others at the Attorney General's Office about rebate structure, costs to all rate payers, and jobs standards, as well as Environment North East staff who we have been working with on pre weatherization solutions and other issues, Penn Loh on all things effecting residential customers particularly in Hard to Reach/Hard to Serve communities, and most of the rest of you probably at least as often as you would like, if not more.

I know that after working directly with many of you on the council, we all now understand that we will not meet the goals of the Act without all of us working together and recognizing the importance of equity in our work moving forward. With that in mind, I wanted to take a minute to highlight what the previous speakers from our coalition recommended and add a few more for inclusion in the next 3 year energy efficiency plans:

1. ***Marketing programs and budgets should include innovative community-driven strategies as part of the overall toolkit.*** Drawing from the positive lessons in our Community Mobilization Initiatives, the next 3-year plans should allow marketing budgets to reflect a proven outreach strategy, particularly for "hard-to-reach/hard-to-serve" communities, including tenants. Partnering with organizations that have existing relationships with home and building owners as well as tenants, has given access to ratepayers who would not have the information they need to participate in energy efficiency programs and understand the benefits of energy efficiency work. We commend NSTAR for the outreach they are already doing in other communities and recommend that outreach programs to include targeted HTR/HTS communities for all utilities.
2. ***Low cost pre-weatherization measures should be funded by current programs for lower-moderate income ratepayers.*** There have been many productive discussions about how to address pre-weatherization costs since the Green Justice Coalition first highlighted this barrier more than three years ago. We have learned through our pilot programs that almost 40% of the people who complete an audit cannot follow through to implementation due to low cost pre-weatherization issues. Low to moderate income ratepayers do not have disposable income, which makes it difficult for this population to pay \$200-\$400 to address pre-weatherization needs, and yet the energy savings would definitely outweigh these costs. We have been working with NSTAR around contractor liability issues and are committed to coming up with a solution together. We also support the idea to allow heat loans to cover some of the higher cost pre-weatherization issues and at least as a good first step towards covering pre weatherization costs for as many residents as possible.

3. ***Current rebate structures should be re-examined with an eye towards equity and with the appropriate data and reporting mechanisms.*** Lower-moderate income ratepayers have a difficult time taking advantage of the 75% weatherization rebates up to \$2000, incentives for appliances and the Heat Loan. In addition, ratepayers in this income bracket are more likely than middle income ratepayers to experience credit-worthiness issues. For the next three year plans, the Green Justice Coalition is interested in working with the utilities to develop a tiered rebate structure that would allow ratepayers with 60-120% state median income to access larger rebates and incentives so they can afford to weatherize their homes. We are excited to be working more closely with the Attorney General's office on this and continuing the productive conversations we have had with them on how this could be created in a revenue neutral way. In addition, there is no statewide database that is accessible to multiple stakeholders that would help us understand who is being served by current programs and where there still may be gaps. Good, consistent and accessible data is absolutely crucial in ensuring we are using ratepayer funds in the most efficient and equitable way.

4. ***Examine the avoided costs to the public as part of the overall cost-effectiveness measure of programs with regards to unit pricing and labor.*** In March of 2010, the National Apollo Alliance and the Green Justice Coalition released a report entitled An Industry at Crossroads: Energy Efficiency in Massachusetts, which focused on the recent investments in large-scale energy efficiency and the opportunity for the Commonwealth to achieve both its energy savings goals while creating good green jobs for its residents. We showed how typical jobs in this industry as part of the sub-set to the residential construction industry, have a fiscal and social cost to workers, businesses, the state and taxpayers:
 - Paying low wages and little to no benefits forces workers and their families to turn to public assistance and depend on the public safety net, including food stamps and child care assistance. In 2009, Massachusetts distributed food stamp benefits to 712,389 people at a cost of \$6.4 million, and spent \$510 million in 2007 on the state's childcare assistance program. Responsible Employers who are committed to paying family sustaining wages would save the Commonwealth millions of dollars.
 - Misclassification of workers as independent contractors means that they do not pay unemployment insurance or proper payroll taxes. This is a direct loss of state tax revenue-- \$1.3 million per year in unemployment insurance, \$7 million in workers compensation, and \$4 million in income tax revenue.
 - Not investing in proper training leads to high turnover. Employer turnover costs an average of \$14,500 for each new hire.

As I mentioned earlier, we have made great strides in setting strong job standards with the leadership at NSTAR and CSG, successfully raising the floor in this industry. We look forward to connecting with NSTAR's procurement department to find a way for all contracts include targeted hiring and responsible jobs standards requirements. We still have a ways to go in making sure we are raising the ceiling so that contractors are able to meet these standards and pay their workers a fair wage, provide benefits and career opportunities. We understand how important it is to be mindful that we are using ratepayer dollars cost-effectively, and we should also take into consideration the avoided cost to taxpayers as well.

5. ***Incorporate lessons from residential programs into commercial and industrial programs.*** Individual residential homeowners are struggling just as much, if not more than many of our businesses, but we are currently reaching our energy savings goals. We have proven in the residential programs that understanding each barrier to participation, then implementing concrete plans to address these barriers, is the kind of innovation and leadership that takes a number of partners and stakeholders to be successful. There are lessons to be learned around outreach, bringing together

diverse and innovative partners, and problem solving that we created together in residential programs. We suggest using this same approach for commercial and industrial sectors so that we can reach all of our savings goals.

We are both grateful to have been a part of this process over the past few years and excited to continue working with all of you to make sure there is continued equity and access in the new set of three year plans. Thank you so much for your time.

Jeremy Shenk
Deputy Director
Community Labor United

On behalf of the Green Justice Coalition Steering Committee:
Alternatives for Community & Environment (ACE), Alliance to Develop Power (ADP), Boston Climate Action Network (BCAN), Boston Workers' Alliance (BWA), Chelsea Collaborative, Chinese, Progressive Association, Clean Water Action, Coalition Against Poverty/Coalition for Social Justice (CAP/CSJ), Community Labor United (CLU), Dudley Street Neighborhood Initiative (DSNI), Greater Four Corners Action Coalition, MassCOSH, Laborers' New England Regional Organizing Fund, Massachusetts Energy Consumers Alliance, Neighbor to Neighbor, New England Council of Carpenters, New England United for Justice, Painters & Allied Trades District Council 35, Project RIGHT