

# Ensuring Electricity Affordability (on the way to Decarbonization)

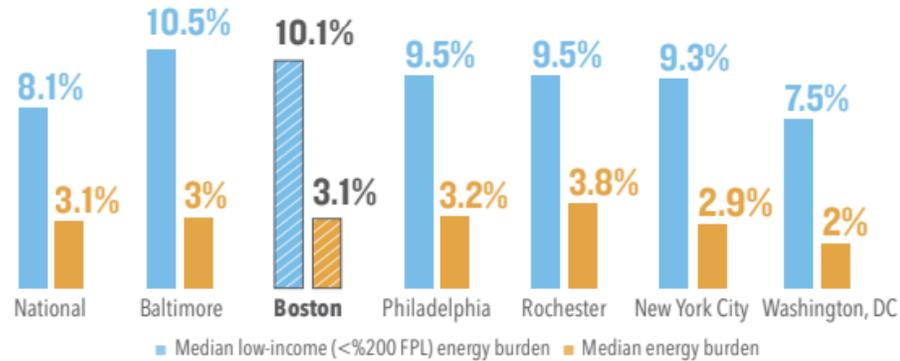
## Sample LIHTC Project Utility Arrangement Before and After Decarbonization Strategies

Project:	Built	Utility Arrangement (Electric or Gas)		Tenant- or Owner-Paid		Utility Company that provides service	
Barstow	2013	Heat	Gas	Electricity	Tenant	Electricity	National Grid
		Cooking	Electricity	Gas	Owner	Gas	Eversource
		Hot Water	Gas	Water	Owner	Water/Sewer	Town of Hanover
				Sewer	Owner	Trash	Troupe
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\*\*In most instances (assuming there is a central heating/DHW plant) the Owner will still probably pay for the hot water needed to assist water-fed heat pump. In the future this will likely be electric water heating. However, if renovation funds and spacing permits, the residential units could receive electric water heaters to assist. Then the entire bill would be on the tenants.

## Demographics and Energy Burdens



See ACEEE's 2020 report, *How High Are America's Residential Energy Burdens*, for a breakdown of median energy burdens for other groups nationally, regionally, and in 25 select metro areas: [www.aceee.org/energy-burden](http://www.aceee.org/energy-burden).

### ENERGY BURDENS IN BOSTON

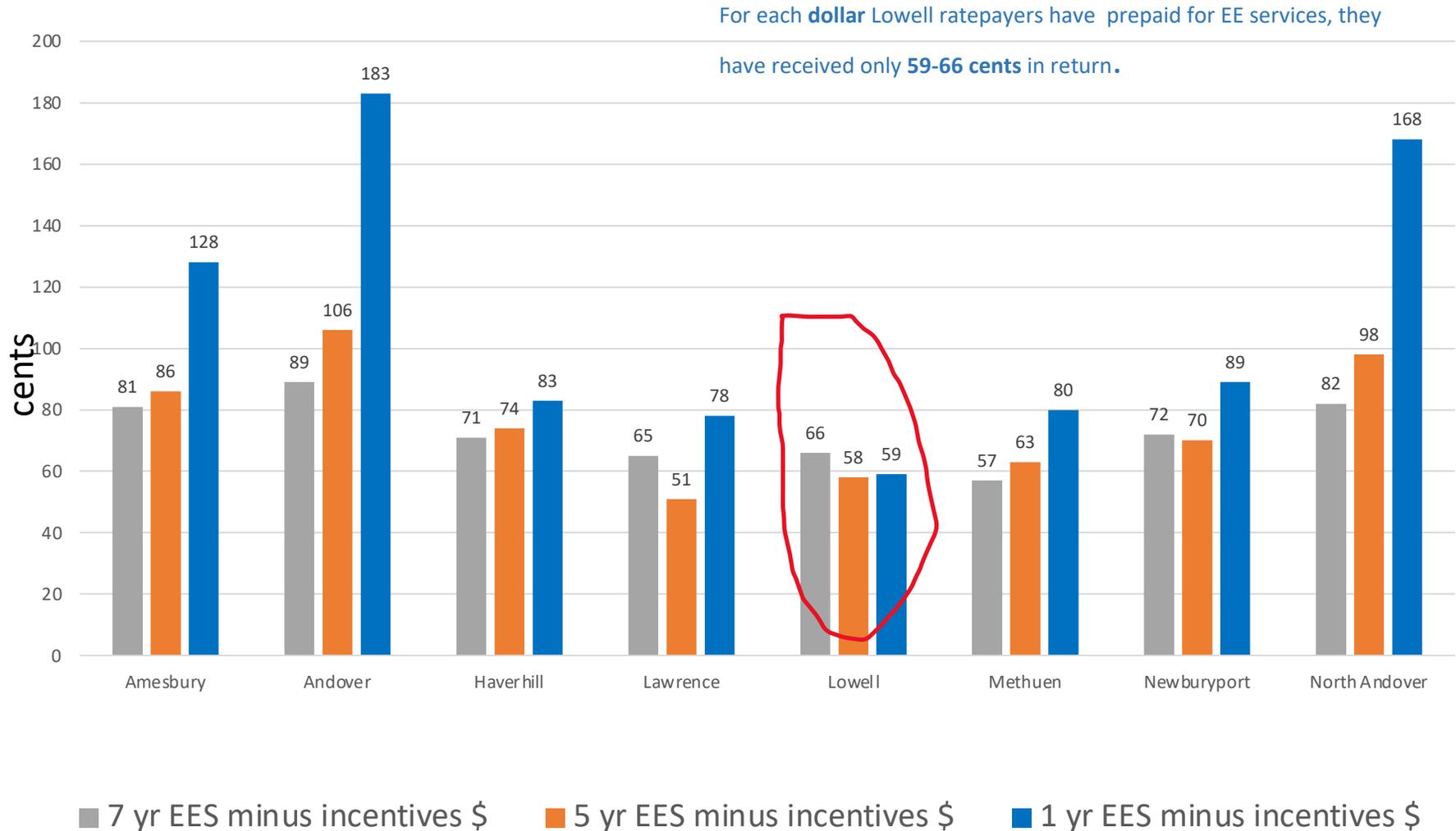
- Median energy burden is 3.1%, and the median low-income energy burden is 10.1% in the Boston metropolitan area.
- A quarter of low-income households have an energy burden above 19% in the Boston metropolitan area, which is more than six times higher than the median energy burden.
- 24% of Boston households (447,358) have a high energy burden (above 6%).
- 12% of Boston households (230,652) have a severe energy burden (above 10%).
- 32% of Black households (50,528) and 30% of Hispanic households (55,470) in the Boston metropolitan area experience a high energy burden (above 6%).
- Based on the groups in the study, low-income (10.1%), low-income multifamily households (6.6%), and older adults (4.4%) experienced the highest median energy burdens in Boston.

# The Legacy of Inequitable Distribution of Benefits in the Implementation of Clean Energy Programs

## Return on a dollar using Estimates

Massachusetts through the Green Communities Act introduced a rate payer funded energy efficiency program. IOU administrate the fund and though they may not agree with this data our lived experiences are consistent with the findings in this graph. Lowell is my City- it is diverse with BIPOC, language isolated and low-income residents with very high energy burdens. The programs have not been implemented in a just manner in a State that is fast going towards being fossil fuel free. The poor were left behind.

[https://ma-eeac.org/wp-content/uploads/MA19X06-B-RESNONPART\\_Report\\_FINAL\\_v20200228.pdf](https://ma-eeac.org/wp-content/uploads/MA19X06-B-RESNONPART_Report_FINAL_v20200228.pdf)



# Considerations for Affordable Housing and LMI communities during Decarbonization

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1) Increasing rent burdens (If costs for decarbonization retrofits are passed on to tenants especially in the unregulated NOAH properties)

2) Increase in utility costs- In Massachusetts heat pumps when not combined with solar or renewables increase electricity costs by at least 3%.

3) Displacement triggered by rent increases or expiring covenants.

4) Missing out on decarbonization benefits like health/indoor air quality or even having to pay for fines for BERDO type ordinances.

5) Paying for expensive gas if multifamily housing does not decarbonize.

## Thoughts on the way Forward.

- Be intentional about equity now not tomorrow. Build reporting and decision-making requirements that ensure equity and affordability are assessed in all rate decisions, and to improve transparency in utility regulation.
- Apply simplicity in new utility rate designs. Customers should be able to easily understand costs.
- Education on impact of decarbonization to electricity rates/costs

