Public Comment on the EPA’s Clean Power Plan
Presented November 19, 2015
at the public hearing on
Federal Plan Requirements for Greenhouse Gas Emissions from Electric Utility Generating Units Constructed on or Before January 8, 2014; Model Trading Rule; Amendments to Framework Regulations

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Thank you for inviting public comment on the EPA’s Clean Power Plan. I am Ethan Handelman, Vice President for Policy and Advocacy at the National Housing Conference. We are the country’s oldest housing advocacy organization with more than 80 years of promoting safe, decent, and affordable housing for all in America.

Our members, who come from the public sector and private sector, for-profit and non-profit, see the Clean Power Plan as an opportunity to make affordable housing more energy efficient, healthier for residents, and better for the environment. The plan provides states the flexibility to choose to invest in energy efficiency in affordable housing as part of their overall approach to reducing carbon emissions, and we urge states to do so.

Energy efficient housing makes people healthier and housing more affordable

Energy efficiency investments will lower household energy bills, which is especially valuable for low- and moderate-income residents. Lowering energy costs also helps to preserve affordable housing by reducing ongoing operating expenses, freeing up capital for property maintenance and improvements. Improving energy efficiency in affordable multifamily housing through insulation, sealing air leaks and installing HVAC systems significantly improves indoor air quality, which can reduce residents’ exposure to asthma allergens and other indoor contaminants thereby improving health.

Energy efficiency is a proven way to reduce emissions cost effectively

In other words, it makes good business sense. A recent study issued by Energy Efficiency for All estimates that energy efficiency in multifamily affordable housing could realistically cut the sector’s electricity usage by as much as 26 percent, based on data from a sample of several states. States can look to examples such as Massachusetts, Washington, and Minnesota, where energy savings achieved from multifamily, ratepayer-funded programs count towards state-set annual energy savings targets.

There are many proven policies states can use to promote energy efficiency in affordable housing:
o Incorporate new energy efficiency requirements in state Low Income Housing Tax Credit (LIHTC) Qualified Allocation Plans (QAP) or strengthen existing requirements.

o Develop utility-sponsored or state-sponsored energy efficiency programs aimed at affordable housing, or strengthen/expand existing programs.

o Provide additional resources for energy efficiency in state housing trust funds.

o Create incentives to leverage private financing such as grants, loan loss reserves, interest rate buy-downs, or other types of credit enhancements.

o Encourage or empower localities to adopt density bonuses, expedited permitting, or other incentives for energy efficient affordable housing.

o Use the state tax code to incentivize energy efficiency improvements in affordable housing.

Several states have already proven that energy efficiency programs for affordable housing can work:

o The Pennsylvania State Housing Finance Agency recently provided financing for capital improvements that resulted in a reduction in carbon dioxide equivalent emissions of over 10,000 metric tons across 91 affordable multifamily properties.

o Maryland’s Department of Housing and Community Development offers a multifamily loan program for energy efficiency investments that targets affordable rental properties.

o Energy Savers is an energy retrofit program of CNT Energy and the Community Investment Corporation in Chicago targeting existing mid-to-low-income, affordable, and subsidized properties in the Chicago area. The program draws on a diverse mix of funding sources including the Illinois utilities; state, local and federal governments; and foundations to provide property owners comprehensive and cost-effective energy retrofit services.

o In Massachusetts, the Low-Income Multifamily Retrofit program provides public, nonprofit and for-profit owners of low-income housing with a one-stop shop for cost-effective energy efficiency improvements. Services include benchmarking tools, energy assessments, technical assistance, and grant funding for energy efficiency upgrades. The program is funded by Massachusetts utilities.
The Public Service Electric and Gas (PSE&G) Residential Multi-family program in New Jersey is the largest multifamily program to incorporate on-bill financing. It provides incentives to buy down the upfront cost of whole-building energy efficiency projects, and owners pay the remaining share of the project cost through their utility bills with no interest over a five year period. Since its launch in 2010, the program has enrolled more than 10,000 units in 277 buildings, with an additional 47 owners representing 9,000 units on the waiting list.

In conclusion, we welcome EPA’s Clean Power Plan and see it as an opportunity to stimulate greater investment in energy efficient affordable housing. There are affordable rental properties in need of energy efficiency improvements in every state, and they should be a part of every state’s plan. States that craft their own implementation plans will be in the best position to promote energy efficient housing to cut emissions, and we hope the federal default implementation plan will allow such investments as well. The additional incentives in the Clean Energy Incentive Program that encourage investment in low-income communities are a welcome complement to the overall Clean Power Plan, and we plan to submit comments to guide EPA in making the program most effective.

Thank you for your continued efforts and for your attention to energy efficiency in affordable housing.