

MEMORANDUM

TO: Climate Action Steering Committee (CASC)
FROM: Allison Osterberg, Senior Planner, Thurston Regional Planning Council
DATE: May 20, 2021
SUBJECT: Energy Efficiency Program Proposal; Coordination between TRPC and TCAT

Requested Action

Discuss TCAT's proposal for a Thurston Energy Efficiency Program proposal and how it will be coordinated with TRPC's policy research work under the Phase 3 ILA.

Background

As part of ongoing implementation of the Thurston Climate Mitigation Plan, the Climate Action Steering Committee (CASC) approved TRPC to develop a white paper looking at energy efficiency in residential buildings. The white paper will dig into these questions:

- What can we do locally to increase energy efficiency in residential buildings (starting with the actions prioritized in the TCMP and looking at examples in other communities)?
- What specific funding authority or other policy change would need to be made by the state legislature to move ahead in achieving the residential energy emission reduction targets set in the Thurston Climate Mitigation Plan?

Desired Outcome:

- Identify specific "asks" around residential energy efficiency to include in the legislative agenda for the upcoming session, with enough time to begin outreach to legislators.
- Identify whether there are some actions around residential energy efficiency that can be taken on locally, without waiting for state legislative action. Recommend path forward.

Separately, the Thurston Climate Action Team (TCAT) has proposed designing a scope of work for a regional energy efficiency program (see February 2021 scope, attached). In the past, TCAT had requested funds from the cities as a match requirement to funding allocated by Thurston County. Thurston County has removed that match requirement, and TCAT revised their scope so they are only seeking support from cities, not funding. The CASC requested that TRPC and TCAT coordinate on this work, and define their separate roles.

If this collaboration is approved by the Steering Committee, TRPC's focus will be on researching program examples (case studies), developing policy options, with a focus on funding streams and legislative needs; TCAT's focus will be on program design, with the program informed by Steering Committee feedback on TRPC's survey of program examples. TRPC and TCAT will collaborate on stakeholder outreach to inform both sets of deliverables. Jurisdiction staff would provide input on TCAT's recommendations as part of their review of the white paper products, rather than as a separate item.

Draft Schedule and Division Tasks

Based on the proposal provided by TCAT, TRPC staff developed this tentative breakout of tasks and schedule, which has been reviewed by TCAT. This schedule may change based on the timing of contracting and other factors. TRPC’s work under the Phase 3 Interlocal Agreement only extends through March 2022, but TCAT’s program development could extend beyond that deadline.

	2021			2022
	Q2	Q3	Q4	Q1
	May-June	July-Sept	Oct-Nov	Jan-Mar
TRPC	Background Research, including case studies	Develop policy options	Draft white paper options	Final white paper
TCAT	Background research, Stakeholder surveys/interviews (coordinated with TRPC to inform white paper background research)	Webinar?	Webinar?/ Draft Program design	Draft Program design
Jurisdiction Staff		Reviews draft background/case studies	Review draft white paper; Provide input on program design	Review draft program design
CASC		Reviews draft case studies; provide input on options	Review draft white paper; provide direction on policy option	Review draft program design
Stakeholders/ Public	Participate in TCAT-run surveys/interviews	Participate in webinar	Participate in webinar; Provide input on program design	Participate in program design

Decision Options

TCAT is requesting a decision from individual cities or the CASC as a whole on their support for TCAT’s proposal.

Attachment: TCAT Thurston Energy Efficiency Program Design Project Proposal, February 2021



Thurston Energy Efficiency Program Design Project

Limited-Scope Project Approach and Budget

February 2021

On August 4, 2020 the Board of County Commissioners approved \$37,500 for a project with TCAT to design and launch a community-wide energy efficiency program, with a proviso that other jurisdictions commit an additional \$75,000 toward the program. The County Commissioners have since approved moving forward without additional financial commitment by the cities on a limited scope contract, to build a community partnership and develop a program design, as long as there is staff participation by the cities of Lacey, Olympia and Tumwater. This would achieve the following objectives:

1. Gather input from local jurisdictions on the final goals and deliverables of this project
2. Get buy-in from existing housing and energy agencies and services through a collaborative program design process
3. Produce a program design and multi-agency partnership to position our community to rapidly deploy the program as soon as Federal and State economic recovery funds become available.

The limited scope of work for this project (subject to revision based on input from supporting jurisdictions), to be conducted from March 2021 - June 2021, would include :

- A. Initial consultation with local jurisdictions to determine the final scope of work for the project
- B. Stakeholder Survey and follow-up interviews with potential partners including housing and energy agencies and service providers, to get input on goals, existing capabilities, service gaps and funding needs.
- C. Present a webinar with technical education on existing housing stock conditions, home energy upgrades and equipment, successful service delivery models, and an invitation to partner on the project
- D. Collaborative program design meetings with jurisdiction staff, housing agencies, and service providers
- E. Iterative review of draft program design with partners
- F. Deliver a Final Report, including:
 - o Recommended program design, goals and strategies
 - o Estimate of deliverable services and workplan for the first 3 years of program operation
 - o List of participating partners
 - o Scalable funding scenarios with potential sources of funding
 - o Measurable anticipated outcomes of program implementation (i.e. # homes retrofitted, reduced energy use and GHG emissions, and low-income home energy costs savings)

Total budget: \$37,500.

Anticipated outcomes and benefits of this limited scope project:

- “Shovel-ready” capability to launch a community-wide energy efficiency program by the 3rd quarter of 2021
- Education to raise awareness and agencies commitment to expanding home energy efficiency improvements
- Multi-agency Partnership prepared to seek and deploy state and/or federal economic recovery funding
- Economic development strategy for a *clean energy recovery*, with equitable benefits to low-income and people-of-color community members.

While the program will be designed to serve all Thurston County residents, it will focus special attention on services for low-income residents, including those living in rental properties. Services to those residents will require a more intense level of direct investment than those for higher income households. Services to moderate- to high-income households, on the other hand, will rely more on modest incentives and technical assistance to spur individuals’ investments in needed improvements.

To that end, both the program design and implementation would involve significant collaboration among existing housing and energy agencies, service providers and financial institutions. This project would engage them to understand their experience, expertise and capacity and how these can be leveraged to expand energy efficiency services most economically and effectively. The project will identify important gaps in service capability, and how to work with community partners to fill them. The project would also help identify these organizations’ funding needs, and identify how state or federal stimulus funds could be deployed, when such funds become available.

Some of the agencies who will be invited as collaborators on the project are:

- Homes First!
- Puget Sound Energy
- Housing Authority of Thurston County
- Community Action Council of Lewis Mason and Thurston Counties
- Thurston Thrives Housing Action Team, and its member organizations
- Habitat for Humanity
- Olympia Master Builders
- Rebuilding Together
- Thurston County Healthy Homes Program
- Thurston Economic Development Council
- Local financial institutions with energy-efficient lending products
- City and county community development and economic development staff

The participation of community groups representing low income people and people of color will also be critical to the success of this project. Examples include CIELO, the Black Alliance of Thurston County, and area tribal governments (Squaxin Island, Nisqually, and Chehalis).

In addition to building a partnership with housing agencies and service providers, TCAT will continue to collaborate with the Thurston Climate Mitigation Plan (TCMP) Steering Committee, to align the program with

strategies, actions and implementation methods defined in the TCMP, and to leverage available resources to attract outside sources of funding.