

BEFORE THE PUBLIC UTILITY COMMISSION

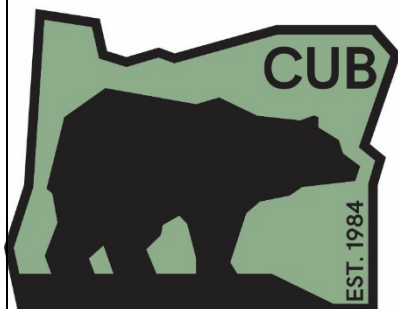
OF OREGON

UM 1696

In the Matter of)	
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ENERGY TRUST OF OREGON,)	COMMENTS OF THE
)	OREGON CITIZENS' UTILITY
Cost Effectiveness Exception Request for)	BOARD
Electric Measures.)	
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COMMENTS OF THE
OREGON CITIZENS' UTILITY BOARD

September 7, 2021



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I. INTRODUCTION

The Oregon Citizens' Utility Board (CUB) files these comments in support of the cost effectiveness exception request for a manufactured home replacement program.

II. Replacing Inefficient Manufactured Homes

In May 2018, Governor Brown convened the Low-Income Utility Program Working Group to review available energy assistance, efficiency and weatherization programs for low-income and historically underserved communities. Governor Brown requested that group make recommendations to ensure that all customers have access to affordable and reliable energy services¹. The group was hosted by the PUC and included CUB, utilities, low-income advocates, and other stakeholders.

¹ Low Income Utility Program Working Group Report, December 2018.
<https://www.oregon.gov/puc/utilities/Documents/LIUPWG-2018-Final-Report.pdf>

An important recommendation of the group was:

We also strongly encourage the development of a statewide program to address weatherization and energy efficiency in manufactured homes. This could include retirement of aging manufactured homes and could build on the pilot replacement program by Housing and Community Services, the Energy Trust of Oregon, CASA of Oregon, NeighborWorks Umpqua, St. Vincent de Paul of Lane County, and regional community action agencies.²

The Low-Income Working Group recognized that older manufactured housing was creating a significant burden on low-income residents. Older manufactured homes, due to depreciation, wear, and less stringent building standards, are poorly weatherized compared to modern manufactured homes and residential structures. The age and design of manufactured homes are not conducive to most cost-effective weatherization measures. Poorly weatherized manufactured houses are expensive to heat and cool, which leads to higher electricity usage and monthly bills. The best solution to addressing these old inefficient homes is a replacement/retirement program along the lines of the pilot program run by Oregon Housing and Community Services (OHCS), the Energy Trust of Oregon (ETO) and other stakeholders.

Currently, there are more than 135,000 manufactured homes in Oregon, representing 7.6% of Oregon's housing stock³. A manufactured home is typically smaller than a single-family home and is more likely to house a low-income family, but uses as much energy as a much larger home. According to PGE, while the average electric usage for a PGE residential customer is 9,340 kWh/year, a manufactured home with electric heat uses an average of 13,235 kWh⁴. The electricity for the average electric-heat manufactured home will cost almost \$500 more per year than an average home. However, because the manufactured home replacement program focuses

² Low Income Utility Program Working Group Report, December 2018, page 20.
<https://www.oregon.gov/puc/utilities/Documents/LIUPWG-2018-Final-Report.pdf>

³ US Census Bureau, American Community Survey

⁴ Refer to OPUC Docket- UE 394 – PGE/1005/Riter/1

on homes built before building codes were updated in 1994, the cost of electricity will be even greater than the average electric heat manufactured home.

According to the Staff memo, the manufactured housing replacement program has a Total Resource Cost test between 0.2 and 0.3 and a Utility Cost Test between 1.2 and 2.5. This means that, while the program is cost effective for the utility system, it is not cost effective for the participant. But, this is misleading. The TRC assumes the owner of the manufactured home must pay all of the incremental cost of the program beyond the ETOs costs, but the program is designed to braid funding for several sources beyond the ETO to bring the participant's costs down to an affordable level.

This is not an easy program to fund, because it requires a variety of parties to blend different funding sources together. But this program is needed to update manufactured housing stock, reduce utility system costs, and alleviate energy burden for Oregonians, which was recognized by the Low-Income Utility Program Working Group three years ago.

CUB strongly urges the Commission to adopt the Staff proposal to grant a 3-year exception for cost effectiveness of energy efficiency measures for the ETO to offer this manufacture housing replacement program.

Dated this 7th day of September, 2021.

Respectfully submitted,



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