

2013 ENERGY STAR® Excellence Award

Pacific Power Home Energy Savings Program
& Walla Walla Housing Authority

PROGRAM CATEGORY: Affordable Housing



Let's turn the answers on.



Walla Walla Housing Authority's Renee Rooker and Pacific Power community manager Bill Clemens outside Valle Lindo Homes.

Building on a Foundation of Savings

PacifiCorp launched the Home Energy Savings program in Utah, Idaho and Washington in 2006. It expanded to California in 2008 and Wyoming in 2009 and is now available to 1 million residential customer accounts across the five-state service territory. The program is designed to acquire cost-effective electric energy savings from residential customers. What began as a small collection of energy-saving measures has grown into a comprehensive selection of offerings that includes LED lighting solutions, heat pump water heaters, R-5 windows, ductless heat pumps, high-efficiency furnaces and bundled measures that encourage whole-home energy retrofits. The program provides PacifiCorp its largest source of cost-effective, demand-side savings across the five-state service territory, and in 2011 acquired 118.8 million kwh.

In Washington, where PacifiCorp operates as Pacific Power, a key focus of the program in 2012 was to increase opportunities for energy savings in hard-to-reach markets such as low-income multifamily properties, Spanish-speaking communities and rural areas. One particular success story, which became a centerpiece in our marketing efforts, involved a partnership with the Housing Authority of the City of Walla Walla. The Housing Authority contacted the

program to discuss new construction incentives for one of its latest properties, Valle Lindo Homes. The aim was to provide quality affordable housing for local farm workers and their families, and to make the property as energy efficient as possible using ENERGY STAR® qualified products. Phase one involved the construction of 60 Northwest ENERGY STAR Builder Option Package multifamily units. It was such a success that another 68 units are now slated for construction.

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Over the past year, we've showcased this project in a variety of marketing materials, strengthening our efforts to promote how multifamily properties can benefit from working with the Home Energy Savings program and ENERGY STAR to achieve significant energy savings.

Demonstrated Success

After phase-one construction on the Valle Lindo Homes project concluded in late 2011, promotional marketing efforts began in early 2012. Our messaging focused on several key areas. First, investing in green construction and advanced building techniques and products for affordable housing lowers energy use and reduces the carbon footprint of each home. It also promotes clean air and a healthier planet. Using the Valle Lindo Homes project as an example, we were able to reinforce another important message: that ENERGY STAR certified green homes, such as those at Valle Lindo, make the many benefits of energy efficiency accessible to lower-income families.¹

60 Northwest ENERGY STAR Builder Option Package certified multifamily units were built during phase one of the Valle Lindo Homes project. ENERGY STAR for New Homes guidelines version 2.0 were used for this development. Key energy savings features included ENERGY STAR qualified air-source heat pumps, weatherization, ventilation, and ‘envelope’ measures, high-efficiency water heaters, thermostats and duct work. The project also included ENERGY STAR appliances, LED lighting and ultra-efficient exhaust fans.

This investment in green construction saves 219,210 kwh and avoids 333,304 pounds (or 167 tons) of CO₂. In terms of upfront savings, it garnered \$60,000 in cash back incentives from Pacific Power to help offset the \$7.9 million project cost. The Housing Authority receives funding from the Department of Housing and Urban Development through the annual appropriation process, tenant rents, property management fees and partnership fees. The financing for Valle Lindo Homes came from low-income housing tax credits and the Washington State Housing Trust Fund administered by the state’s Department of Commerce and the Housing Authority. The incentives from Pacific

Power are funded by cost recovery through customer rates using a tariff rate rider.

Valle Lindo Homes was such a success that Walker Construction received a 2012 ENERGY STAR Leadership in Housing Award for their work on the project, and 68 additional units are scheduled for construction in the coming year. Best of all, tenants have reacted very positively to the project’s commitment to energy efficiency and are really excited about the lower electricity costs.

By spotlighting Valle Lindo Homes, the Home Energy Savings program has been able to strengthen its efforts in this hard-to-reach market. Projects like these benefit not just the owners of the affordable housing multifamily properties, but also the tenants, as ENERGY STAR homes offer improved comfort and save rate payers money every month on their utility bills.

Institutional Change

The example set by Valle Lindo Homes is one we hope many others in similar circumstances will follow. We know that investments in energy efficiency upgrades provide important cost-saving benefits. We also know families struggling to make ends meet are often unable to justify upfront capital costs even though the investment would save money in the long run. Financial limitations are a significant barrier to adopting energy-efficient upgrades in low-income communities. Another barrier for low-income families is that property owners often will not invest in energy efficiency because the return on investment goes to the tenants who pay utility bills, while renters are not inclined to make investments in a property they don’t own. Over the course of the past year, the Home Energy Savings program has worked harder than ever to break down these barriers.

¹ Details on the marketing pieces we created to share this messaging can be found in the Outreach & Education section, with visual samples in the marketing appendix.

The Housing Authority shares a similar mission. Its goal is for 100 percent of new construction projects to be “green” and energy efficient, but funding sources often dictate final outcomes. When the Housing Authority is planning for any capital project, no matter the size, they look to green and energy-efficient products first during the design and planning stages.

The partnership between the Home Energy Savings program and the Housing Authority represents a proven model to make the benefits of energy efficiency investments more accessible to low-income families. As an example of our efforts to expand the program’s impact in the affordable housing market, we are also partnering with Catholic Charity Housing Services on a number of Northwest ENERGY STAR Builder Option Package new construction projects in Washington between 2010 and 2013. Combined, these projects will save 124,219 kwh and will receive \$35,000 in cash back incentives to offset project financing.

Housing Affordability

The Housing Authority’s funding comes from rents on the properties it owns, property management fees and federal subsidies for low-rent public housing. Given the current state of the economy, the capital budget is very limited and the Housing Authority has to compete with other capital projects. In an effort to raise awareness and support for building with ENERGY STAR in affordable housing projects, the Housing Authority frequently educates the Washington legislature on the importance of incorporating this aspect of green building into the Washington State Housing Trust Fund. They work closely with other affordable housing programs to move this message forward on the state and federal levels. Private landlords are also engaged to voice their opinion on the need for rental assistance in their communities.

For example, the Housing Authority paid area landlords approximately \$4.3 million in rental assistance for eligible low-income families, elderly and disabled.

Outreach and Education

In 2012, a variety of marketing materials were developed to promote the benefits of investing in ENERGY STAR certified new construction, appliances and other energy upgrades that qualify for incentives from the Home Energy Savings program. The program website provides a highly visible entry point for customers, outlining the benefits and importance of energy efficiency and utilizing the ENERGY STAR brand to promote the wide range of ENERGY STAR products that qualify for incentives. The program marketing team issued a press release celebrating the Valle Lindo Homes project, raising awareness of this success story while promoting ENERGY STAR certified building practices, equipment and appliances. A case study provided more details on the project in an effort to inspire action from other property owners and developers across Washington and to encourage more investments in affordable energy-efficient housing. Lastly, the program developed a multifamily brochure and distributed it across its service territories in Washington, California, Idaho, Wyoming and Utah. The brochure was received by contractors, builders, property owners, property management companies and landlord associations. It highlights the value of energy efficiency investments, outlines steps to participate in the program, and includes the Valle Lindo Homes case study as a concrete example to inspire increased participation in multifamily and lower-income settings.²

When the Housing Authority discusses Valle Lindo Homes with the public, including elected officials, funders, members of the public and residents,

² For visual samples of these pieces, please see the marketing appendix.

there's always a strong focus on green building and ENERGY STAR certification. Occupants of the property learn about the features and benefits of their ENERGY STAR certified homes via a resident handbook and ongoing educational tenant meetings.

Pacific Power also partners with three local nonprofit agencies – Blue Mountain Action Council in Walla Walla, Northwest Community Action Center in Toppenish and Opportunities Industrialization Center of Washington in Yakima – to provide weatherization services to income qualifying households throughout its Washington service area. Leveraging Pacific Power funding with Washington MatchMaker Program funds allows the agencies to provide these energy efficiency services at no cost to participating customers. Pacific Power offers rebates

to partnering agencies for 50 percent of the cost of services while MatchMaker funds are available, and covers 100 percent of costs when these state funds are depleted. Participants qualify whether they are homeowners or renters residing in single-family homes, manufactured homes or apartments.

Other Sustainability Initiatives

In addition to investments in energy-efficient construction, the Valle Lindo Homes project also incorporated water-saving toilets, faucets, and shower heads in the interior and a water-saving irrigation system with drought-resistant plants and grass across the 7.5 acre site.

Cumulative Accomplishments

2010

Walla Walla Housing Authority: *Foothills Homes*

- 25 units with individual energy efficiency upgrades
- CFL lighting: 18,624 kwh
- ENERGY STAR dishwashers: 800 kwh
- ENERGY STAR refrigerators: 1960 kwh
- Attic insulation: 1,575 kwh
- Energy-efficient windows: 1,028 kwh
- Total: 23,987 kwh

Catholic Charities Housing

- 5 ENERGY STAR Builder Option Package certified units
- 14,614 kwh
- \$5,000 in incentives

2011

Walla Walla Housing Authority: *Valle Lindo Homes*

- 60 ENERGY STAR Builder Option Package certified multifamily units
- 121 ENERGY STAR appliances
- 782 LED lights
- 66 ultra-efficient exhaust fans
- 219,210 kwh
- 333,304 pounds of CO₂ avoided
- \$60,000 in incentives

Catholic Charities Housing

- 17 ENERGY STAR Builder Option Package certified units
- 62,110 kwh
- \$17,000 in incentives



Over **100 ENERGY STAR** units were constructed during 2011 and 2012, saving over **350,000 kwh**.

2012

Walla Walla Housing Authority: *Valle Lindo Homes*

- Promotional materials included a press release, case study and HES program multifamily brochure
- Walker Construction received a 2012 ENERGY STAR Leadership in Housing Award for their work on the Valle Lindo Homes project

Catholic Charities Housing

- 10 ENERGY STAR Builder Option Package certified units
- 36,535 kwh
- \$10,000 in incentives

2013

Walla Walla Housing Authority: *Valle Lindo Homes Phase II of construction*

- 68 ENERGY STAR Builder Option Package certified multifamily units
- Project will include ENERGY STAR appliances, LED lighting and ultra-efficient exhaust fans
- 250,000 kwh
- 377,745 pounds of CO₂ avoided
- \$68,000 in incentives

Catholic Charities Housing

- 3 ENERGY STAR Builder Option Package certified units
- 10,961 kwh
- \$3,000 saved