

SUBSTITUTE RESOLUTION NO. RS2018-1508

A resolution encouraging Nashville Electric Service (NES) to ~~transition its implement a Round-Up Donation program from a customer-select to a customer-remove policy~~ in order to provide additional funding for NES's Home Energy Uplift program, ~~and further requesting NES and the Tennessee Valley Authority to match funds resulting from the program.~~

WHEREAS, Nashville Electric Service (NES) ratepayers are fortunate to be served by a publicly-owned municipal utility which provides residential electricity at rates almost 14 percent less than the national average; and

WHEREAS, despite comparatively low rates, Nashville faces the challenge that approximately sixteen percent (16%) of its residents live in poverty; and

WHEREAS, rates of poverty coincide with poorly-weatherized housing stock; and poorly-weatherized homes prevent older residents from aging in place -- making them more susceptible to predatory homebuyers; and

WHEREAS, the cost burden of energy-inefficient homes falls particularly heavily upon vulnerable citizens, contributing to decreased educational achievement, financial instability, and pervasive cycles of poverty; and

WHEREAS, the energy burden from the combination of poverty, poorly-weatherized and aging housing stock are a significant impediment to equity and livability in Nashville; and

WHEREAS, high energy burdens and substandard housing stock also contribute to mental and physical health challenges, particularly among children and the elderly, contributing to Nashville's rates of respiratory illness such as asthma and other endemic health conditions; and

WHEREAS, households in the Tennessee Valley Authority (TVA) footprint earning less than fifty percent (50%) of the federal poverty level are spending an average of twenty-nine percent (29%) of their income on utilities. An income expenditure of six percent (6%) is considered affordable; and

WHEREAS, during 2017 and 2018, NES and TVA have committed initial seed funding to a Home Energy Uplift program, which provides whole-home energy improvements to limited-income families who own homes in Davidson County; and

WHEREAS, NES, TVA, and the Metropolitan Government have identified the need for additional funding to support this program, given the thousands of Davidson County residents who qualify for assistance; and

WHEREAS, a utility bill round-up program (which allows customers to round-up their monthly utility bills to the next whole dollar, with resulting donations averaging approximately \$0.50 cents per month) with a customer-remove (or "opt out") policy approach ~~to the current NES-supported utility bill round-up program (which allows customers to round-up their monthly utility bills to the next whole dollar, with resulting donations averaging approximately \$0.50 cents per month)~~ could ~~grow~~ garner participation from ~~just eight to ten percent (8% - 10%)~~ of approximately sixty to sixty-five percent (60%-65%) of NES's customer base ~~to sixty to sixty-five percent (60% - 65%),~~ increasing the households Home Energy Uplift can serve to 180 per year; and

WHEREAS, NES's energy experts, in partnership with TVA and the Mayor's Office, have been successfully weatherizing one hundred twenty-five (125) low-income Nashville households through a program called "Home Energy Uplift" which provides whole-home, deep-energy retrofits valued at an average of \$8,000 each -- providing the tools and information needed for these homes to be as energy-efficient and comfortable as possible; and

WHEREAS, Home Energy Uplift has resulted in lower utility bills for low-income customers through more energy-efficient single-family houses and has alleviated strain on community utility bill payment assistance resources; and

WHEREAS, NES has affirmed that a ~~customer-remove policy position for its current Round-Up donation program~~ would allow Home Energy Uplift to substantially increase the amount of weatherization services available to the community, benefiting a significant at-risk segment of the NES customer base, thereby serving the best interests of TVA, NES, and their customers; and

WHEREAS, the Mayor of the Metropolitan Government of Nashville and Davidson County has expressed support for the Home Energy Uplift program as a root-cause solution to housing displacement; and the Mayor's Livable Nashville Committee recommended for Round-Up utility-bill donations as a sustainable local funding source for NES and TVA to continue assisting those in need and to reduce greenhouse-gas emissions from residential buildings; and

WHEREAS, there is successful precedent in other Tennessee urban areas -- including Knoxville and Memphis -- for automatically enrolling utility customers in an optional round-up program to generate revenue for low-income weatherization grants, and for ~~pairing~~ leveraging those local funds ~~with matching dollars toward additional program investment~~ from the Tennessee Valley Authority.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY:

Section 1. The Metropolitan Council hereby goes on record as formally requesting the Nashville Electric Service (NES) and its five-member Electric Power Board to ~~transition its~~ implement a customer-remove Round-Up donation program from a customer-select position to a customer-remove position, such that all ratepayers will be enrolled in the program automatically, creating a reasonable and sustainable source of revenue for its low-income weatherization program, Home Energy Uplift, funded by NES customers for NES customers in partnership with TVA, in order to ease energy burdens on economically and otherwise disadvantaged homeowners throughout Davidson County.

Section 2. The Metropolitan Council further goes on record as requesting that ~~this transition in the Round-Up program allow~~ any NES ratepayer ~~to be able to easily and promptly elect not to participate in the~~ a Round-Up donation program at any time.

Section 3. The Metropolitan Council further goes on record as requesting that ~~such transition~~ the launch of such a program be extensively and effectively marketed to all NES customers and to the general public at large prior to its implementation.

Section 4. The Metropolitan Council further goes on record as encouraging NES to find creative ways to use funding provided by ~~this~~ such a program to create educational and employment opportunities within its service area that would further reduce economic hardships for Davidson County's poorest citizens, particularly focusing on renewable energy, job creation, and building upon NES's track record of supporting local, MWBEs, and small businesses by people the community trusts.

Section 5. The Metropolitan Council further goes on record as requesting that, in creating the employment opportunities referenced above, NES give priority to certified, MWBE energy professionals and to contractors from zip codes of highest energy burden.

Section 6. The Metropolitan Council further goes on record as requesting NES Home Energy Uplift administrators to issue a report to all members of the Metropolitan Council at least annually regarding the success of the fund, including in such report data regarding revenues, expenditures, ratepayer participation rates, most burdened communities and key performance indicators -- including but not limited to households served, energy efficiencies realized, and minority contractor outcomes.

~~Section 7. The Metropolitan Council further goes on record as requesting that NES and TVA match funds given by ratepayers for the Home Energy Uplift program at a 2:1 ratio.~~

~~Section 8. The Metropolitan Clerk is directed to send a copy of this Resolution to Decosta Jenkins, President and CEO of Nashville Electric Service, and to each member of the NES board of directors.~~

~~Section 9.~~ 8. That this resolution shall take effect from and after its adoption, the welfare of The Metropolitan Government of Nashville and Davidson County requiring it.

INTRODUCED BY:

Member of Council