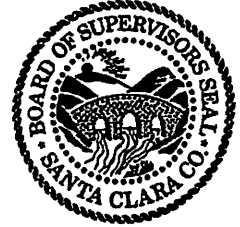


County of Santa Clara Children and Families Committee

Supervisor Blanca Alvarado, Chairperson • Supervisor James T. Beall, Jr., Vice Chair

County Government Center - East Wing • 70 West Hedding Street - 10th Floor
San José, California 95110 • Phone (408) 299-2040 • Fax (408) 295-8642



MEMORANDUM

THIS RELATES TO:

Item No. 47

Date: 6/5/01

DATE: May 31, 2001

TO: Board of Supervisors

FROM: Blanca Alvarado *BA*
Chair, Children and Families Committee

James T. Beall, Jr. *JB*
Vice Chair, Children and Families Committee

SUBJECT: ENERGY ASSISTANCE PROPOSAL FOR LOW- AND FIXED-INCOME
RESIDENTS

RECOMMENDED ACTION

We recommend that the Board of Supervisors approve the attached proposal to fund critical service needs of low- and fixed-income residents affected by the energy crisis. A combination of one-time funds would be utilized including the Welfare Reform Reserve (\$350,000) and CalWORKs Incentives Fund (\$150,000) totaling \$500,000.

BACKGROUND

An Energy Assistance Collaborative (EAC) was recently formed as a result of planning meetings to address the impact of the energy crisis on low- and fixed-income residents. Partners in this collaborative include Economic and Social Opportunities (ESO), United Way's Emergency Assistance Network (EAN), and the Social Services Agency (*see Attachment B*). The EAC identified critical service gaps (*see Attachment C*) and developed a funding proposal that serves to maximize and build upon available resources.

The Children and Families Committee concurs with the findings of the EAC in that requests for energy-related assistance by residents are rapidly depleting existing and limited resources. ESO reported at the May 31, 2001 CFC meeting that requests for

energy assistance from residents will quickly exceed the capacity of ESO's resources, and its current allocation will be depleted in July 2001. These funds will be spent just as the energy demands begin peaking during the summer months.

Further, ESO reports that the demand for energy assistance has resulted primarily from increases in the cost of natural gas. With the recent increase in electricity, combined with the hot summer months ahead, the current shortage of energy assistance will likely be exacerbated by the anticipated increase in demand from our low- and fixed-income residents for energy assistance.

The EAC proposes a collaborative effort whereby all agencies providing energy assistance to low- and fixed-income households would work together to address and reduce critical service gaps that are otherwise unmet by Federal, State or other local initiatives.

Recent efforts to address these service gaps include the passage of SB 5x (Sher, Chaptered 4/11/01) which allocates funding to Santa Clara County for weatherization and energy assistance. In addition, the Public Utilities Commission issued a ruling in March 27, 2001 to exempt low-income residents who are participating in the PG&E CARE program from recent rate increases. Most recently, the City of San Jose announced the allocation of \$1 million as part of the proposed Metcalf Energy Center agreement with Calpine Corporation/Bechtel Enterprises Holdings, Inc. to provide funding for energy conservation programs and assistance to low-income people to help pay their energy bills.

This proposal provides additional resources for Santa Clara County residents and will be coordinated with other private and public resources to maximize energy assistance for low- and fixed-income residents. These funds will be used to leverage other resources to ensure implementation of efficient and strategic efforts for countywide energy assistance.

County of Santa Clara

Social Services Agency

3d



1725 Technology Drive
San Jose, California 95110-1360

REVISED TRANSMITTAL

May 31, 2001

TO: Supervisor Blanca Alvarado, Chairperson
Children and Families Committee

Supervisor James T. Beall, Jr., Vice Chair
Children and Families Committee

FROM: Will Lightbourne, Director *WLL*

SUBJECT: RESPONSE TO THE IMPACT OF THE ENERGY CRISIS ON LOW-AND FIXED-INCOME RESIDENTS

RECOMMENDED ACTION:

The Social Services Agency requests that the Children and Families Committee forward to the Board of Supervisors a recommendation to fund critical service needs (see Attachment A) of low and fixed income residents impacted by the energy crisis. This proposal also requests that authority be given to the Director of the Social Services Agency to enter into and execute contracts with Economic and Social Opportunities (ESO) and the United Way, upon approval by County Counsel. A combination of funds will be utilized for this first stage, including Welfare Reserve (\$350,000) and CalWORKs Incentives (\$150,000), totaling \$500,000.

BACKGROUND:

An Energy Assistance Collaborative (EAC) was recently formed as a result of planning meetings to address the impact of the energy crisis on low and fixed-income residents. Partners in the collaborative include Economic and Social Opportunities (ESO), United Way's Emergency Assistance Network (EAN) and the Social Services Agency (see Attachment B). The newly formed EAC concurs that increased requests for energy related assistance are rapidly depleting their limited resources. The EAC identified critical service gaps (see Attachment C), and developed a funding proposal that serves to maximize and build upon available resources. It builds upon the existing and proposed collaborative efforts of its member agencies and utilizes existing program eligibility criteria to minimize administrative complexity.

Currently, ESO manages utility assistance payments for LIHEAP (Low Income Household Energy Assistance Program) to qualifying low-income households. ESO currently has a waiting pending LIHEAP applications. The EAN, which is partially funded by United Way and CalWORKs Incentive funds, offers various emergency assistance to low-income households. Another low-income utility assistance program that is available, but underutilized, is PG&E's CARE discount program, which has the lowest penetration rate of any other utility company in the state. The Public Utility Commission determined that less than one-half of eligible households were enrolled in CARE and therefore not receiving benefits that include exemption from all utility rate increases.

A report describing the ideas developed by EAC, *Impacts on Low-Income Residents and Seniors* was presented to the Board of Supervisor's Emergency Energy Task Force on May 4, 2001. It highlighted vulnerable populations, including the home-bound elderly, people with disabilities and shared living arrangements, where limited or no assistance is available to address increased energy costs. The report also identified potential sources of funding to address the needs of low-income households: an increased allocation of LIHEAP funds (the county's annualized share is currently unknown); possible allocation from the City of San Jose, (Mayor Gonzales announced allocating a portion of utility tax revenues) to the ESO for the Low Income Household Energy Assistance Program (LIHEAP); and possible foundation funding for energy efficient appliance replacement.

Additionally, anticipating the need for "heat relief" resources for seniors and other at-risk individuals this summer, plans for alternative public facilities and access to such resources for In-Home Supportive Services (IHSS) clients are being developed for immediate implementation.

The Emergency Energy Assistance Task Force recognized the energy crisis as an issue concerning everyone in the community and recommended that cities throughout the county be approached to assist low-income residents of their respective community. Members of the EAC will be following-up with city officials, in particular to communities with the highest concentration of low- and fixed-income households, requesting their support to address this crisis by earmarking a portion of their utility tax or other available revenue to assist low-income residents.

REASONS FOR RECOMMENDATION:

A concerted effort is recommended whereby all agencies providing energy assistance to low-and fixed-income households work together to address and reduce the myriad critical service gaps. The state's legislative response will provide some relief for low-income households, yet many critical service gaps will remain. SB5x (Sher, Chaptered 4/11/01) provides residents of Santa Clara County with the following preliminary allocation: \$463,576 for weatherization (e.g. furnace, water heater, window replacements), LIHEAP - PG&E service area \$92,046 and LIHEAP - Locally Owned Municipal Utilities \$239,579. Clarification on the on-going level of funding that will be received is needed. The Public Utilities Commission's (PUC's) ruling of March 27, 2001 provides that low-income residents who are active in the PG&E's CARE program, (a monthly 15% percentage reduction), will be exempt from the January 2001 electricity rate increase. The PUC's ruling on May 15th 2001, provides for a tiered system that results in increases ranging from an estimated five to thirty-seven percent, and reconfirmed that CARE participants will continue to be exempt from these increases.

ATTACHMENT A

RECOMMENDED SPENDING PLAN

ESO	First Phase
<i>Activity</i>	<i>Amount</i>
Emergency Utility Payment Assistance: For qualified households with shut-off or termination notices, provides payment commitments to utility companies for the purpose of maintaining or reinstating their utility services. Eligibility for these benefits will be consistent with federal energy assistance program guidelines. <i>Approximate number served:</i>	\$245,000 Critical gaps #s 1,2,3,4, & 5 450
Intervention Program: For households with higher than average utility costs, program will focus on reducing household energy consumption resulting in more affordable utility bills. Interventions will consist of: energy audits of residences, intensive in-home assessment and energy education, review and ensure household's enrollment in all possible energy assistance programs, residential energy improvements and strategies to assist individuals who may be vulnerable/at-risk during periods of power interruptions-blackouts (i.e., individuals with health/medical conditions that may place them at-risk when their electricity is interrupted during the hottest days this summer). <i>Approximate number served:</i>	\$125,000 Critical gaps #s 6,7,8, 9 & 10 200+
EAN	
Reduce Critical Service Gaps: Funding to meet one-time needs of low-and fixed-income households that may not qualify for other utility assistance programs, e.g. shared households and at-risk homebound elderly and disabled individuals. Funding allocation to each EAN agency per CalWORKs Incentive formula established by United Way/EAN. <i>Approximate number served:</i>	\$130,000 Critical gaps #s 10, 11, 12, & 5 300
Requested Funding	\$500,000

ANTICIPATED PRIVATE FUNDING

Appliance Replacement Program: Funded by private donations for the replacement of existing appliances with energy efficient models to reduce energy consumption and lower utility costs. Includes cost of purchase & installation of appliance, recycling of existing appliance and required work to ensure safe installation (e.g., installation of grounded electric circuit). <i>Approximate number served, averaging \$700 per household:</i>	\$100,000 Critical gaps #s 8 & 9 140
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ATTACHMENT B**ENERGY ASSISTANCE COLLABORATIVE
PARTICIPANTS**

NAME	AGENCY
Adriana Flores	American Red Cross, Palo Alto
Alette Lundeberg	Social Services Agency
Alycia Cornejo	Salvation Army
Angela Olveda	St Vincent de Paul
Barbara Jones	Cupertino Community Services
David Cox	St Joseph's Family Center
Jaclyn Fabre	Cupertino Community Services, Inc
Margaret Tamisiea	Economic & Social Opportunities (ESO)
Mary Gillespie-Greenberg	Social Services Agency
Mary Helen Doherty	Social Services Agency
Maureen Wadiak	Community Services, Mt View
Nancy Tivol	Sunnyvale Community Services
Paul Tatsuta	Economic & Social Opportunities (ESO)
Rex Painter	American Red Cross, Silicon Valley Chapter
Rosanna Medina	Sacred Heart Community Services
Toni Ensunsa	United Way Silicon Valley
Will Lightbourne	Social Services Agency

ATTACHMENT C

CRITICAL SERVICE GAPS

Energy Assistance Collaborative (EAC)

1. Lack of financial assistance to address reoccurring shut-off notices resulting from continual increases in gas and/or electricity charges;
2. Existing programs only provide one annual assistance payment;
3. Limited assistance for households with past-due high utility bills;
4. Power interruptions due to failure to pay bills in a timely manner;
5. Landlord cooperation required to address "master meter" and Mobile Home Park households, utilizing one meter;
6. Medically needy households relying on life support equipment;
7. Limited public knowledge and understanding about accessing energy assistance programs;
8. Timely energy efficient appliance replacements and house wiring upgrade resources;
9. Limited resources to provide conservation outreach efforts, in particular house audits;
10. Limited enrollment in the existing PG&E CARE discount program (15%);
11. Need for senior "heat relief" - in-home and center-based in process of getting feedback;
12. Complexity in addressing the needs of shared and overcrowded households.