

EXHIBIT 1

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter, on the Commission's own motion, regarding the regulatory reviews, revisions, determinations, and/or approvals necessary for **DTE ELECTRIC COMPANY** to fully comply with Public Act 295 of 2008, as amended by Public Act 342 of 2016.

U-20876

ALJ Dennis Mack

TESTIMONY OF JAMAL LEWIS

ON BEHALF OF

**SIERRA CLUB, THE ECOLOGY CENTER,
AND NATURAL RESOURCES DEFENSE COUNCIL**

October 6, 2021

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CASE NO. U-20876**

1 **I. INTRODUCTION & QUALIFICATIONS**

2 **Q. Please state for the record your name and business address.**

3 A. My name is Jamal Lewis. My business address is 2714 Hudson St. Baltimore, MD
4 21224.

5 **Q. By whom are you employed and in what position?**

6 A. I am the Director of Energy, Climate and Health at the Green & Healthy Homes Initiative
7 ("GHHI"). In that capacity, I provide technical assistance to federal, state, and local
8 agencies, nonprofit organizations, and public utilities to develop and implement policies
9 and programs that support healthy, energy efficient, and decarbonized housing.

10 **Q. On whose behalf are you testifying in this proceeding?**

11 A. I am testifying on behalf of the Sierra Club, Natural Resources Defense Council
12 ("NRDC"), and the Ecology Center.

13 **Q. Please describe your educational background.**

14 A. I received a Master in Public Health from Columbia University's Department of
15 Environmental Health Sciences in 2018 and Bachelor of Arts in Environmental Studies
16 from the University of Pennsylvania in 2016.

17 **Q. Please describe your professional background.**

18 A. My work focuses on ensuring that all Americans have access to a safe, healthy, energy
19 efficient, decarbonized, and affordable housing. In my current role as Director of
20 Energy, Climate, and Health, I participate in the development and implementation of
21 policies and programs that exist at the intersection of healthy housing, energy efficiency
22 and climate change. This involves working with the federal government as well as state

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1 and local governments and agencies, energy efficiency and healthy housing program
2 administrators and implementers, and other non-profit organizations to incorporate best
3 practices into their hazard remediation and energy efficiency policies and programs. I
4 have provided technical assistance to fifteen states, including Michigan, and over thirty-
5 three local jurisdictions. This includes working with Penn Medicine Lancaster General
6 Health to design the nation's first program dedicated to addressing lead-based paint
7 hazards in existing housing stock. I have also published multiple papers outlining the
8 importance of and pathways to promoting health and social equity by increasing access to
9 and improving the design of programs that advance healthy, energy efficient housing. I
10 also co-authored GHHI's Lead Funding Toolkit, which was designed to help state and
11 local jurisdictions increase the number of resources available to remediate lead hazards
12 by listing the various programs that have been used to fund lead remediation and
13 providing a step-by-step guide to accessing these funding sources, and a white paper
14 outlining the potential for healthcare to invest in improving housing quality to help older
15 adults age in place. A copy of my curriculum vitae is attached as Exhibit SC-8.

16 **Q: Have you previously filed expert witness testimony in other proceedings before the**
17 **Commission or before other regulatory commissions?**

18 A: Yes. As described below, I have assisted with planning Energy Efficiency programs in
19 multiple states.

20 **Q: Please explain your previous work on energy efficiency planning.**

21 A. I have participated in the planning and rulemaking of several Energy Efficiency
22 programs. These include the Empower program in Maryland, ACT 129 in Pennsylvania,
23 the low- and moderate-income ("LMI") program proceeding and the energy affordability

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1 program (“EAP”) proceeding in New York, and the Integrated Resource Planning process
2 in New Orleans. I have also led the facilitation of an Equity Working Group for National
3 Grid in Rhode Island, designed to seek feedback from community organizations on ways
4 that National Grid’s programs can better serve under-served customer segments.

5 Currently, I am part of the team working to establish a Whole House Pilot in New Jersey,
6 a pilot program designed to provide resources through the state’s low-income energy
7 efficiency programs. The aim of the pilot is to design the service delivery such that all
8 New Jersey residents can access the benefits of energy efficiency, while leveraging
9 resources from other healthy homes programs in the state.

10 In addition, I was appointed by the State of New York to serve on the Energy Efficiency
11 and Housing Advisory Panel to advise the state on ways to design policies and programs
12 that enable the achievement of the state’s climate and equity goals laid out in the Climate
13 Leadership and Community Protection Act. I have participated in Maryland climate
14 action planning process as well.

15 **Q. What is the purpose of your testimony?**

16 **A.** I am offering this testimony to

- 17 • Explain that current programming is insufficient to meet the needs of all DTE
18 Electric Company (“DTE” or the “Company”) customers, particularly limited
19 income, Black and Brown customers, and high energy burdened customers
20 (customers that pay more than 6% of their income on energy costs).
- 21 • Propose a neighborhood-based delivery program for targeted census tracts and
22 explain how the proposed program can overcome existing barriers of access to
23 energy efficiency programs among residents of underserved communities.
- 24 • Highlight program examples that exist in other parts of the country that DTE
25 could use to model components of a neighborhood-based targeting and delivery
26 program.

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1 **Q. Are you sponsoring any exhibits?**

2 A. Yes, I am sponsoring the following exhibits:

- 3 Exhibit SC-8: Curriculum Vitae of Jamal Lewis
- 4 Exhibit SC-9: Case No. U-20876, Responses to SCDE
- 5 Exhibit SC-10: Great Lakes Environmental Law Center. *Comment Re. U-*
6 *20633 – Incorporating Environmental Justice Considerations in*
7 *Future IRP Cases*
- 8 Exhibit SC-11: Attachment SCDE 3.21-03 PTCI Presentations (July 9, 2021)
- 9 Exhibit SC-12: Attachment SCDE 3.21-02 PTCI Presentations (Apr. 9, 2021)
- 10 Exhibit SC-13: Case No. U-20881, Responses to AGDG
- 11 Exhibit SC-14: Case No. U-20876, Responses to AGDE
- 12 Exhibit SC-15: Case No. U-20876, Responses to NRDCNHTECDE
- 13 Exhibit SC-16: EEFA, *A Guide to Healthier Upgrade Materials* (Sept. 2018)
- 14 Exhibit SC-17: EEFA et al., *Case Study: Energy Performance of Chicago*
15 *Properties Retrofit with Fiber Glass Insulation* (Aug. 2019)

16 **II. TESTIMONY OVERVIEW**

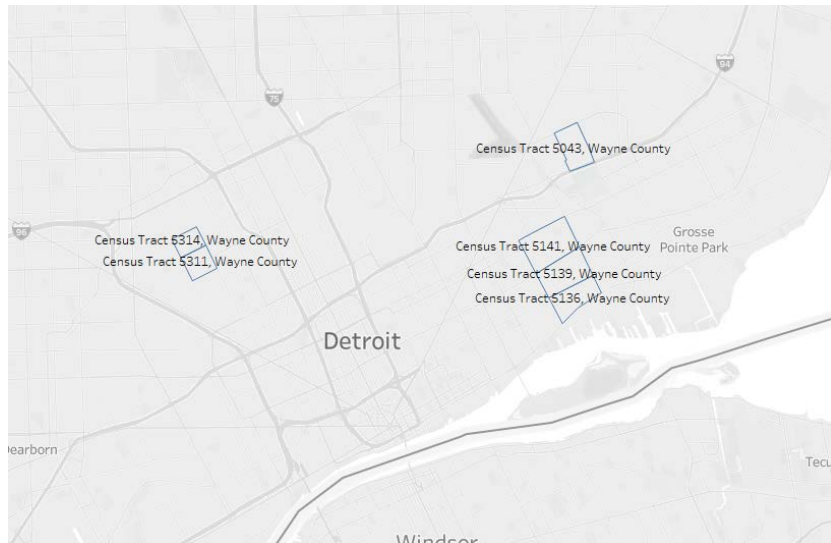
17 **Q. Please summarize your recommendations**

18 A. I recommend that DTE implement a neighborhood-based delivery program that
19 incorporates a large-scale marketing and outreach campaign in partnership with local
20 community-based organizations, eases the eligibility and qualification process by
21 automatically qualifying all households in these target areas, provides flexible audit
22 scheduling hours, leverages additional sources of funding to address health and safety
23 issues and reduce weatherization walkways, and advances local workforce development
24 training and certification programs and opportunities to increase capacity to meet the
25 need for weatherization services that exists in the target census tracts. As a starting point,

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1 I recommend that DTE target specific priority census tracts that are high need and could
2 particularly benefit from these shifts in approach. These are census tract numbers: 5141,
3 5139, 5136, 5043, 5311 and 5314, as illustrated in Figure 1 below.

**Figure 1: Recommended Census Tracts for
Initiation of Neighborhood-Based EWR**



4
5 In addition, to support DTE’s efforts to serve its diverse customer base and to maximize
6 occupant health and well-being, I recommend that DTE regularly report on diverse
7 suppliers that provide Energy Waste Reduction (“EWR”) measures and incorporate the
8 use of healthy building materials into its retrofit pilots and programs, beginning with the
9 Health and Safety Pilot. I also recommend that as part of the continuation of the Health
10 and Safety Pilot or as part of the expansion of the Pilot to a full program, DTE should
11 include specific budget carve outs for both single-family (including renter occupied), and
12 multifamily households.

13 Finally, I recommend that DTE consider sponsoring the training and certification for
14 some prospective workers, incorporate explicit provisions within its plan to train energy

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1 auditors to identify health and safety hazards during in-home assessment, requiring
2 auditors to conduct a health and safety assessment, and communicating presence and
3 impact of hazards to the occupant, and invest in cross-training energy efficiency
4 contractors to address health and safety hazards such as lead, mold, and asbestos.

5 **III. BARRIERS TO EQUITABLE PARTICIPATION IN ENERGY EFFICIENCY**
6 **PROGRAMS**

7 **Q. Please explain the key takeaways from your involvement with the development and**
8 **implementation of other energy efficiency programs that are relevant to this**
9 **proceeding.**

10 **A.** Through my work with energy efficiency programs—both utility- and government-
11 funded—I have found that limited income customers often do not receive a proportionate
12 share of the benefits of energy efficiency programs. Energy efficiency programs,
13 especially ratepayer-funded programs, are typically evaluated by the ability to meet
14 predetermined energy consumption savings targets. Often, utilities are required to meet
15 these targets by statute and, thus, design their programs to best meet these targets as
16 cheaply as possible. (I am advised by counsel that DTE Electric Company is not required
17 to demonstrate that its low-income residential EWR program offerings are cost
18 effective.¹). While all utilities are different, I have found that generally they utilize the
19 same framework when it comes to their energy efficiency program portfolio. Typically,
20 the portfolio is made up of residential programs, commercial and industrial programs for
21 businesses and companies, and behavioral programs. The residential portion of the

¹ MCL 460.1071(4)(g).

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1 portfolio features programs for all customers and separate programs specifically for low-
2 income customers and includes services like appliance rebates, in home energy audits,
3 and, for low-income customers, little to no cost energy efficiency building upgrades often
4 referred to as weatherization. I have found in my work that typically the energy
5 consumption savings, as required by statute, are largely driven by non-low-income
6 programs or programs that are not specifically targeting limited income customers. I
7 suspect that this phenomenon occurs because non-low-income programs are largely cost-
8 effective as that term is typically defined, meaning that the energy consumption savings
9 benefits outweigh the cost of achieving those benefits. For example, every year new
10 appliance technologies hit the market that are increasingly more efficient than the last
11 model. Providing a full or partial rebate to incentivize a customer to purchase the newer,
12 more efficient appliance can cost a utility a few hundred dollars [per customer] but may
13 result in significant energy consumption savings.

14 **Q. How does this approach to energy efficiency program design and implementation**
15 **impact limited income customers?**

16 A. This sort of approach leaves limited income customers behind. By definition, when
17 household income is limited—in the short or longer term—customers likely do not have
18 the disposable income to invest in newer, more efficient technologies and thus need full
19 subsidization of energy efficiency products and services. In addition, research shows that
20 limited income customers often occupy old and severely deteriorated homes that may not
21 be able to support new appliance technologies. Such homes may have structural defects
22 or breaches in the building shell that lead to wasted energy and severe energy

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1 inefficiencies.²¹ This means customers are paying higher energy bills and it will cost a
2 lot more to reduce energy consumption in their homes. This reality creates a situation
3 where utilities are incentivized to invest more in non-low-income energy efficiency
4 programming because they are more likely to achieve their savings targets as cheaply as
5 possible.

6 Still, like DTE, utilities are also usually statutorily required to provide opportunities for
7 participation in energy efficiency programs for all customers since all customers,
8 including limited income customers, pay into the fund that supports the programs.
9 Therefore, most utilities offer programs for limited income customers that often entail a
10 free energy audit and the free installation of energy efficient appliances and
11 weatherization measures. However, I have found that simply providing opportunities for
12 participation is not enough to promote actual participation in energy efficiency and
13 weatherization programs among limited income customers.³

² United States Census Bureau, *American Housing Survey (AHS) Table Creator*, https://www.census.gov/programssurveys/ahs/data/interactive/ahstablecreator.html#?s_areas=a00000&s_year=n2015&s_tableName=Table5&s_byGroup1=a7&s_byGroup2=a1&s_filterGroup1=t1&s_filterGroup2=g1&s_show=S (last visited Oct. 5, 2021). Using the AHS Table Creator to evaluate ‘Housing Quality’ data by the ‘Household Income’ variable, it is clear that, generally speaking, as the household incomes decrease the number of severely inadequate and moderately inadequate households increases.; *see also* Freddie Mac Single-Family, *Where is the Aging Housing Stock in the United States?*, (June 1, 2021), <https://sf.freddiemac.com/articles/news/where-is-the-aging-housing-stock-in-the-united-states>; Jerusalem Demsas, *America’s houses are old. Low-income renters are suffering because of it*, Vox (July 22, 2021), <https://www.vox.com/2021/7/22/22586701/housing-aging-public-housing-section-8>.

³ Applied Pub. Pol’y Rsch. Inst. for Study and Evaluation, *Maryland Low-Income Market Characterization Report* (Oct. 2018), <https://opc.maryland.gov/Portals/0/Publications/Reports/APPRISE%20Maryland%20Low-Income%20Market%20Characterization%20Report%20-%20October%202018.pdf?ver=2019-09-10-150223-853>.

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1 Similarly, the DTE's stated objective for its low-income energy efficiency programs is
2 simply to provide opportunities for participation for its customers.⁴ The company has not
3 examined the ratio between actual participation and participation opportunities.⁵ An
4 analysis of actual participation to participation opportunities could shed light on the most
5 efficient and effective program design elements that result in maximum participation
6 among limited income customers. Limited income customers often have the most to gain
7 from energy efficiency, but have the least access to energy efficiency programs. This
8 reality has perpetuated existing inequities that leave these customers with the highest bills
9 and the least means to meet their basic energy needs.

10 **Q. In your experience, are there other populations that are traditionally underserved**
11 **by energy efficiency programs?**

12 A. Yes. While most utilities' energy efficiency programs have not, to date, collected data on
13 race, making it difficult to study racial inequities, anecdotal evidence suggests that Black
14 and Brown residents are also underserved by energy efficiency. African Americans have
15 the greatest likelihood of residing in older homes with compromised energy systems,
16 aging or ineffective appliances and other assorted structural deficiencies, all of which
17 contribute to making the home energy inefficient.⁶ The often substandard state of such
18 deprived households, specifically those in historically residentially segregated areas, are

⁴ Qualifications and Revised Direct Test. of Kevin L. Bilyeu, at 8–9, Case No. U-20876 (Sept. 29, 2021) (“Bilyeu Direct, Electric”); Ex. SC-9, Case No. U-20876, Responses to SCDE-1.32a, -1.32c; Case No. U-20881, Responses to SCDG-1.12a, -1.12c.

⁵ Ex. SC-9, Case No. U-20876, Response to SCDE 1.32e.

⁶ Diana Hernández et al., *Energy Insecurity among Families with Children*, Nat’l Center for Children in Poverty (Jan. 2014), https://www.nccp.org/wp-content/uploads/2020/05/text_1086.pdf; Hernández et al., *Housing hardship and energy insecurity among native-born and immigrant low-income families with children in the United States*, J. of Children and Poverty, Mar. 2016 at 77.

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1 typically compromised in ways directly related to a home’s energy inefficiency status.
2 These include but are not limited to, inadequately maintained and inefficient ventilation,
3 cooling and heating (“HVAC”) systems, drafts or air leaks, and poor insulation.⁷ These
4 structural conditions, coupled with a household’s inability to afford energy all contribute
5 to inefficient household energy usage and decreased access to energy efficiency program
6 services among Black households.⁸

7 **Q. How are these structural conditions impacting black and brown residents?**

8 A. In 2019, I co-authored a paper, published in *Energy Efficiency*, that listed nine areas
9 related to substandard housing and residential energy inefficiencies.⁹ These areas are:

- 10 1. Racial residential segregation, which refers to the clustering of Black and Brown
11 residents in low-resource neighborhoods while being denied access to additional
12 resources to address deferred maintenance, which has led to structural
13 deficiencies, health and safety hazards, and energy inefficiencies.¹⁰
- 14 2. Housing burden refers to the dynamic that exists around the shortage of affordable
15 housing, which forces many limited income households and households with
16 limited options, such as Black and Brown residents, to settle for more affordable,
17 low-quality housing. Even though housing costs may be more affordable for low-
18 quality housing, the costs may still be high as a percentage of household income
19 and residents may end up paying more because of hidden costs that manifest in

⁷ American Council for an Energy Efficient Econ., *Lifting the High Energy Burden in America’s Largest Cities: How Energy Efficiency Can Improve Low Income and Underserved Communities*, (Apr. 2016), <https://www.aceee.org/sites/default/files/publications/researchreports/u1602.pdf>; Hernández D. & Phillips D., *Benefit or burden? Perceptions of energy efficiency efforts among low-income housing residents in New York City*, *Energy Rsch. & Soc. Sci.*, July 2015, at 52; Reames T., *A community-based approach to low-income residential energy efficiency participation barriers*, *Local Environment*, Feb. 2016, at 1449.

⁸ Jamal Lewis et al., *Energy Efficiency as Energy Justice: Addressing Racial Inequities through Investments in People and Places*, *Energy Efficiency*, Nov. 2019, at 419.

⁹ *Id.*

¹⁰ Douglas S. Massey & Nancy A. Denton, *American Apartheid: Segregation and the Making of the Underclass* (Harvard Univ. Press 2003) (originally published in 1998); Geronimus AT., *To mitigate, resist, or undo: addressing structural influences on the health of urban populations*, *American J. Pub. Health*, June 2000, at 867; Melvin Oliver & Thomas Shapiro, *Black Wealth / White Wealth: A New Perspective on Racial Inequality* (Routledge 2006) (originally published in 1995).

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1 issues like frequent moves, overcrowding, and lack of easy access to necessary
2 amenities.¹¹

3 3. Energy burden refers to the percentage of income spent on utilities. A high
4 energy burden references a household that pays more than six percent of income
5 on utilities. Black households spend upwards of 4.1% of income on utilities,
6 which is more than the median of 3.1% for all households and among the highest
7 of any racial group. Also, the median energy burden for Black households is 43%
8 higher than the median for white households.

9 4. Bundled burdens, economic trade-offs, and materials hardships refer to other
10 related hardships and burdens that often appear in the same areas and
11 neighborhoods that experience high energy burden. African Americans are also
12 more likely to forgo food and medicine in order to pay for energy.¹²

13 5. Disparate health vulnerabilities refer to the health impacts of substandard,
14 inefficient housing and can include direct impacts like lead poisoning, asthma and
15 other respiratory diseases, and trip and falls hazards—all of which
16 disproportionately impact Black and Brown individuals. One study also found
17 that poor thermal comfort and difficulty paying energy bills were associated with
18 increased stress levels that can contribute to chronic, long term health impacts like
19 diabetes, hypertension, stroke, and coronary heart disease, which also
20 disproportionately impact Black and Brown individuals.¹³ Combined, and in
21 addition to other environmental, social, and health factors, African Americans
22 have the worst life expectancy among other racial groups.¹⁴

23 6. Extreme weather and climate impacts refers to various acute and chronic
24 manifestations of climate change. This includes extreme weather events like
25 hurricanes, earthquakes, and wildfires as well as drought and extreme heat and
26 cold that can last a while and impact the daily lives of community members.

¹¹ Mathematical Pol’y Rsch., Inc., *Ancillary Services to Support Welfare to Work* (June 21, 1998), <https://aspe.hhs.gov/report/ancillary-services-support-welfare-work#>.

¹² Bhattacharya et al., *Heat or Eat? Cold Weather Shocks and Nutrition in Poor American Families*, Nat’l Bureau of Econ. Rsch. (2002); U.S. Energy Info. Admin., *Residential Energy Consumption Survey*, Table HC11.1 Household Energy Insecurity (Oct. 2017), <https://www.eia.gov/consumption/residential/data/2015/hc/php/hc11.1.php>.

¹³ Hernández et al., *Exploring the Housing and Household Energy Pathways to Stress: A Mixed Methods Study*, Int’l J. of Env’t Rsch. and Pub. Health, Sept. 2016; Bryant-Stephens T., *Asthma disparities in urban environments*, J. of Allergy and Clinical Immunology, June 2009; Green, et al., *The Impact of Housing Stressors on the Mental Health of a Low-Income African-American Population*, The Review of Black Pol. Econ., Jan. 2013; Rauh, et al., *Housing and Health: Intersection of Poverty and Env’t Exposures*, Annals of the N.Y. Acad. of Sci., Jan. 2008.

¹⁴ Arias et al., *United States Life Tables, 2014*, Nat’l Vital Stat. Reports, Aug. 2017, https://www.cdc.gov/nchs/data/nvsr/nvsr66/nvsr66_04.pdf; U.S. Dep’t of Health and Hum. Serv., *Health, United States, 2016: With Chartbook on Long-Term Trends in Health* (2017), [https://www.cdc.gov/nchs/data/16.pdf#015](https://www.cdc.gov/nchs/data/hus/16.pdf#015).

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1 Several studies have shown that Black and Brown communities are
2 disproportionately impacted by climate change.¹⁵

3 7. Depletion of the resilience reserve refers to a framework that describes the
4 resilience capacity that any individual has to respond to stressors and maintain a
5 healthy level of psychological and physical functioning. As the individual faces
6 stressful events, they are required to utilize resilience resources from their reserve.
7 Facing too many stressors or stressors that are significant in magnitude can
8 deplete the resilience reserve, thereby impacting an individual’s ability to
9 maintain healthy levels of functioning. For example, one study pointed out that
10 Hurricane Sandy—an extreme weather event that impacted the northeastern
11 United States, New York city in particular—caused longstanding difficulties and
12 emotional trauma, which delayed recovery even years after the storm.¹⁶

13 8. Energy transitions refers to the transition away from a fossil-fuel economy to a
14 cleaner, more efficient economy powered by renewable energy and electricity. In
15 large part, clean energy technologies are considered luxury items that are only
16 accessible to those than can afford them. Furthermore, as my colleagues and I
17 articulate in another recent report, many households that occupy older,
18 substandard housing such as Black and Brown residents, are not at the starting
19 line for the transition to cleaner technologies and therefore are unable to access
20 the many benefits.¹⁷ As an example, one study highlights that uptake of solar in
21 African American communities is among the slowest when compared to other
22 groups.¹⁸

23 9. Gentrification and displacement refer to the “pricing out” of Black and Brown
24 residents as newer, significant investments occur in the same historically Black
25 and Brown communities that endured historical disinvestment as a result of racist
26 and discriminatory housing policies. One study suggests that gentrification may
27 be an unintended consequence of long-desired and much-needed energy
28 upgrades.¹⁹

¹⁵ Klinenberg E., *Review of Heat Wave: Social Autopsy of Disaster in Chicago*, New England J. of Med., Feb. 2003; Sharkey P., *Survival and Death in New Orleans: An Empirical Look at the Human Impact of Katrina*, J. of Black Studies, Mar. 2007; O’Neill, et al., *Disparities by Race in Heat-Related Mortality in Four US Cities: The Role of Air Conditioning Prevalence*, J. of Urban Health: Bulletin of the N.Y. Acad. of Med., May 2005.

¹⁶ Hernández et al., *Pub. Housing on the Periphery: Vulnerable Residents and Depleted Resilience Rsrv. post-Hurricane Sandy*, J. of Urban Health, Oct. 2018.

¹⁷ Ruth Ann Norton et al., *Leading with Equity and Justice in the Clean Energy Transition: Getting to the Starting Line for Building Electrification*, Green & Healthy Homes Initiative (2021), https://www.greenandhealthyhomes.org/wp-content/uploads/2021-GHHI-Leading-with-equity_wp_Final.pdf.

¹⁸ Lennon M., *Decolonizing energy: Black Lives Matter and technoscientific expertise amid solar transitions*, Energy Rsch. & Soc. Sci., Aug. 2017.

¹⁹ Hernández et al., *Exploring the Housing and Household Energy Pathways to Stress: A Mixed Methods Study*, Int’l J. of Env’t Rsch. and Pub. Health, Sept. 2016.

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1 **Q. Are there ways to counteract these structural patterns?**

2 A. Yes. I believe it is important to recognize that these structural patterns are the result of
3 generations of intentional, racist, discriminatory, and unjust policies that have resulted in
4 the disparities in housing quality and energy inefficiency experienced by Black and
5 Brown households and limited income households. To counteract these patterns, I
6 believe it will take equally intentional action to reverse these impacts and promote energy
7 justice. In the same 2019 paper referenced above, my co-authors and I utilize an energy
8 justice framework, anchored in four forms of justice (recognition, procedural,
9 distributional, and restorative) that I believe can help counteract these structural
10 patterns.²⁰ Recognition justice is first the acknowledgement that current disparities are a
11 result of the historical legacy of injustices. Procedural justice refers to the opportunity
12 for impacted communities to participate meaningfully in the design and implementation
13 of policies and programs. Distributional justice is the equal distribution of benefits and
14 burdens among all social groups. Restorative justice refers to the intentional design of
15 policies and programs that address the root causes of the current inequities and disparities
16 that exist.

17 With thoughtful design and effective targeting of energy efficiency and energy waste
18 reduction programs to disproportionately impacted residents, it is possible to counteract
19 the otherwise perpetual cycle of poor housing and energy outcomes and promote energy
20 justice. Practically speaking, energy efficiency program administrators and regulators

²⁰ Lewis et al., *Energy Efficiency as Energy Justice: Addressing Racial Inequities through Investments in People and Places*, Energy Efficiency, Nov. 2019.

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1 should direct more resources into comprehensive income-eligible weatherization as
2 opposed to minor, free direct install measures that include light bulb replacement and low
3 flow faucet and shower heads. Weatherization is the practice of protecting a building and
4 its interior from the elements, particularly from sunlight, precipitation, and wind, and of
5 modifying the building to reduce energy consumption and optimize energy efficiency.
6 Weatherization, which consists of insulation, air and duct sealing, heating and cooling
7 system repair or replacement, and other building shell measures, can be effective in
8 reducing energy consumption, improving housing conditions, and promoting occupant
9 comfort—particularly for occupants of substandard, inefficient housing. Programs that
10 offer weatherization should be accessible and targeted to households most in need,
11 particularly limited income, Black and Brown, and high-energy burdened households.

12 **Q. Have you looked specifically at DTE’s energy waste program?**

13 A. Yes, in this proceeding, I reviewed and analyzed DTE’s existing programs and approach
14 to providing their customers with opportunities to reduce their energy waste and increase
15 home efficiency.

16 **Q. From your analysis, does DTE’s energy waste reduction program sufficiently meet**
17 **the needs of customers in underserved communities?**

18 A. As shown in Figure 2 below, there is a severe energy burden problem in DTE’s service
19 territory, particularly (though not exclusively) in the Detroit area. Energy waste
20 reduction can help households reduce their energy bills, helping to alleviate this problem
21 while also providing greater comfort and home health benefits. While DTE has
22 incorporated programs, such as the Income-Qualified Multifamily program and Energy
23 Efficiency Assistance program—both of which offer weatherization—and pilots, such as

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1 the Payment Troubled Customer Initiative and the Health and Safety Pilot, that do
2 increase access to energy efficiency among those that need it most, I believe that there is
3 still more that DTE can do to meet the needs of customers in underserved communities,
4 particularly as DTE proposes to terminate its Payment Troubled Customer Initiative.²¹ In
5 addition, I will also note and reinforce Roger Colton’s testimony from 2019 that
6 articulates the various market barriers for low-income household participation in DTE’s
7 energy efficiency programs.²² Those barriers include high initial capital costs, lack of
8 access to capital, high implicit discount rates/payback periods, high proportion of low-
9 income renters, split incentives between landlords and tenants, and high mobility rate of
10 low-income renters.²³

²¹ Ex. SC-9, Case No. U-20876, Response to SCDE-1.16b (“[H]as DTE decided to discontinue [the PTCI] program?” “Yes”).

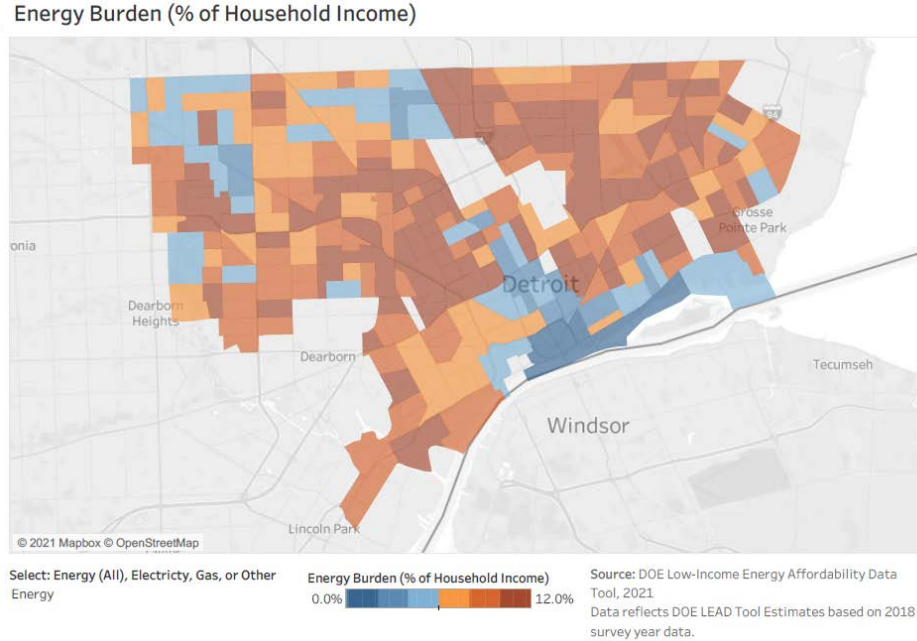
²² Direct Test. of Roger D. Colton on Behalf of Sierra Club and NRDC, at 12–14, Case No. U-20373 (Oct. 28, 2019).

²³ *Id.*

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1

Figure 2: Energy Burden in the Detroit Area



2

3 **Q. How can DTE increase access to and participation in energy waste reduction**
4 **programs among its traditionally underserved communities and customers?**

5 A. DTE can better design and implement its programs to overcome barriers to access and to
6 best meet the needs of limited income residents and Black and Brown residents. I am
7 proposing that DTE initiate a neighborhood-based delivery program that delivers
8 comprehensive, building shell energy waste reduction services and weatherization
9 measures. A neighborhood-based delivery program would overcome existing barriers to
10 access and participation and help direct resources to households who can most benefit.
11 Prioritizing weatherization measures would help reduce energy burden and improve
12 occupant comfort, thereby maximizing benefits to these households.

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1 **IV. DTE SHOULD INCORPORATE NEIGHBORHOOD-BASED DELIVERY AS**
2 **PART OF ITS LOW-INCOME EWR PROGRAM**

3 **Q. Please describe the design of the above referenced neighborhood-based delivery**
4 **program.**

5 A. As a part of a neighborhood-based delivery program, DTE would focus on heavily energy
6 burdened areas of their service territory and implement program design elements that
7 would increase participation, especially among limited income customers and customers
8 of color. In these focus areas, determined by select criteria discussed below, customers
9 would automatically qualify for DTE’s income-qualified energy waste reduction
10 programs and, upon signing up, would receive an energy audit from the program
11 implementer serving that neighborhood, and access to the weatherization upgrades
12 recommended by the audit. In addition, DTE and its implementing partners would
13 coordinate with local administrators of any non-utility funded or administered housing
14 and energy programs (described in more detail below), to address health and safety
15 hazards that would enable qualifying households to receive energy waste reduction
16 services. The goal of this neighborhood-based delivery program would be to take a
17 holistic and neighborhood-based approach to DTE’s Energy Waste Reduction
18 programming—an approach that would alleviate existing barriers to participation in
19 historically underserved communities.

20 **Q. What barriers exist that prevent participation and benefits among underserved**
21 **customer classes?**

22 A. Barriers exist at several steps in the process. These barriers include 1) initial awareness
23 of the availability of programs; 2) the inaccessibility of the application process; 3) the

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1 challenges with scheduling energy audits; 4) the results of the energy audit; 5) the
2 saturation (or lack thereof) of qualified and available contractors; and 6) client
3 satisfaction with program outcomes. These barriers are described more in-depth below.

4 **Q. Do these barriers exist in the context of DTE’s low-income EWR programs?**

5 A. Yes, DTE has acknowledged that certain of these barriers exist, as noted below, and I
6 expect based on my experience with similar utility programs that others do as well.

7 **Q. Please describe the barriers that exist with initial awareness of energy efficiency**
8 **programs.**

9 A. The first step is initial awareness and education about the availability of programs. Most
10 ratepayer-funded energy efficiency programs require an application by customers to
11 enroll in the program. Before customers can apply, there first must be awareness of the
12 program. It has been my experience that, despite marketing and outreach efforts, limited
13 income residents and Black and Brown residents largely are not aware that there are
14 programs that exist that can help improve the energy efficiency of their home. I have
15 come to this conclusion by hosting and participating in community outreach events for
16 energy efficiency programs in majority low-income communities and/or communities of
17 color, where community members were largely unaware of the existence of such
18 programs despite marketing and outreach efforts by the program administrators and
19 subcontractors.

20 **Q. Please describe the barriers that exist at the application stage of the process.**

21 A. The second step is the application process, which can be time consuming and can require
22 the compilation of documents that verify eligibility. According to GHHI’s experience

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1 administering and implementing federal, state and local energy efficiency and healthy
2 housing programs that have often specific documentation and eligibility requirements, we
3 have found that an application process can deter prospective applicants if they perceive
4 that it is too onerous and time consuming.

5 **Q. Please describe the barriers that exist at the energy audit scheduling phase.**

6 A. The third step occurs if and when the application is approved, and it is time to schedule
7 an energy audit to home energy audit to determine opportunities to improve efficiency.
8 To schedule an energy audit, the resident must be home at the time, which often requires
9 participants to take off work and which may be difficult for participants that already have
10 limited disposable income and that tend to occupy low-wage jobs, which are less likely to
11 provide flexibility in work hours or paid time off. In addition, energy audits can take
12 several hours that participants may not be able to afford and that can further compromise
13 earning potential.

14 **Q. Please describe the barrier(s) that exist after the audit and scope of work phase.**

15 A. The fourth step is at the energy audit. During the audit process, in addition to identifying
16 opportunities to improve efficiency, the energy auditor will also identify health and safety
17 hazards and/or structural defects that must be addressed before energy waste reduction
18 measures can be performed or installed. Inherently, the most inefficient homes in DTE's
19 territory have the greatest potential for energy use reduction, which can be achieved with
20 the installation of comprehensive, building shell measures such as air sealing, insulation,
21 and replacement or repair of windows and HVAC systems. Unfortunately, energy
22 efficiency programs are often unable to install these measures because of health and
23 safety hazards in the home, such as mold or moisture, knob and tube wiring, structural

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1 issues, pest infestation, and roof leaks. Without first remediating these hazards, the
2 installation of comprehensive measures can exacerbate and worsen dangerous indoor
3 environmental conditions (e.g., installing insulation which would trap mold in the house
4 and worsen indoor air quality) or threaten the effectiveness of the comprehensive
5 measures (e.g., a roof leak which could lead to deficiencies in the building shell).

6 Therefore, health and safety hazards must be addressed concurrently with comprehensive
7 energy efficiency measures. DTE has also acknowledged this barrier with the adoption
8 of their Health and Safety pilot.

9 Typically, in situations where a household is unable to receive building shell measures
10 like insulation, air sealing, window replacements because of health and safety hazards,
11 DTE's implementing partners may perform minor, free direct install measures. These
12 minor, free direct install measures refer to light bulb replacement and low flow faucet and
13 shower heads. Such measures typically do not have as significant an impact on energy
14 consumption and occupant well-being. As noted by Mr. Neme's testimony, only 11% of
15 DTE's energy efficiency rebates in its single-family income qualified program and 0% of
16 such rebates in its multifamily income qualified program were for building shell
17 measures such as air sealing, insulation, and efficient window replacements.²⁴

18 DTE's Health and Safety Pilot allocates up to \$10,000 per household to address health
19 and safety issues that prevent weatherization and comprehensive energy efficiency.²⁵ If
20 the cost to address the hazards and defects exceeds this allowable budget or if the local

²⁴ Direct Test. of Chris Neme, at 12–13, Case No. U-20881 (Oct. 6, 2021) (“Neme Test., Gas”).

²⁵ Direct Test. of Jeffrey C. Lebrun, at JCL-19, Case No. U-20876 (June 30, 2021) (“Lebrun Test.”); *Id.* at JCL-17.

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1 partner organization is not participating in the Health and Safety Pilot, then the
2 implementation contractor will either not provide measures as part of income-qualified
3 program or will provide minor, free, direct install measures that are not impacted by
4 conditions of the home in these situations.

5 If comprehensive weatherization measures are not provided as part of the income-
6 qualified program due to the presence of health and safety hazards, then the
7 implementation contractor will defer the installation of these measures or walk away
8 from the project until the issues that are preventing the measures are addressed.

9 Deferral/walkaway technically means that the services will be delivered eventually but
10 most deferred cases never get the upgrades because income-eligible customers don't have
11 the disposable income to address these issues themselves and there are no additional
12 resources to help these households address the hazards themselves. These circumstances
13 characterize a significant inequity that exists in the system, which prevents those most in
14 need of assistance with energy waste reduction measures from accessing comprehensive
15 energy saving weatherization services. These customers typically, and thus, never
16 actually receive no-cost weatherization improvements that they qualified for though the
17 income-eligible programs.

18 **Q. What explains this structural barrier in DTE's service territory?**

19 A. The presence of health and safety hazards is frequently the result of historical
20 disinvestment in the southeast Michigan's housing stock, which has restricted many low-
21 income homeowners and renters from acquiring the resources needed to maintain their
22 homes. A group of environmental justice advocates articulated this issue in their April

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1 28, 2021 comments in docket U-20633.²⁶ While this circumstance impacts many
2 customers, Black families have the greatest likelihood of residing in older homes with
3 compromised energy systems, aging or ineffective appliances, and other assorted
4 structural deficiencies—all of which contribute to making the home energy inefficient.²⁷
5 The often substandard state of such homes, specifically considering those in historically
6 residentially segregated areas, typically contain compromised components directly
7 related to a home’s energy inefficiency. These include, but are not limited to,
8 inadequately maintained and inefficient ventilation, cooling and heating systems, drafts
9 or air leaks, and poor insulation. These structural conditions, contribute to significantly
10 higher utility costs such as cooling, heating, and lighting through inefficient household
11 energy usage. To promote greater energy equity in DTE’s territory, I believe that it is
12 essential to eliminate health and safety issues as a barrier to comprehensive energy
13 efficiency upgrades.

14 **Q. Does DTE’s Health and Safety Pilot currently overcome this barrier?**

15 A. With the continuation of the Health and Safety Pilot, DTE will be able to overcome this
16 barrier for a subset of their high-energy burdened customers. For example, in 2020,
17 twenty-two customers identified through DTE’s Payment Troubled Customers’ initiative
18 were referred to the Health and Safety pilot and were able to receive energy waste
19 reduction measures instead of being deferred as “walkaways.”²⁸ This demonstrates the

²⁶ Ex. SC-10, Great Lakes Env’t Law Center, *Comment Re. U-20633 – Incorporating Environmental Justice Considerations in Future IRP Cases* (Apr. 28, 2021).

²⁷ Diana Hernández et al., *Energy Insecurity among Families with Children*, Nat’l Center for Children in Poverty (Jan. 2014), https://www.nccp.org/wp-content/uploads/2020/05/text_1086.pdf.

²⁸ Ex. SC-11, Case No. U-20876, Attachment SCDE 3.21-03 PTCI Presentations, at 36 (July 9, 2021); Ex. SC-12, Case No. U-20876, Attachment SCDE 3.21-02 PTCI Presentations, at 39 (Apr. 9, 2021); Ex. SC-9, Case No. U-20876, Response to SCDE 3.5.

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1 success of the concept. Still, there are almost certainly far more households that could
2 benefit from energy waste reduction if health and safety issues were addressed that DTE
3 has not yet enrolled in its income-qualified EWR programs.²⁹ This is especially true as
4 DTE does not actively target customers for the Health and Safety pilot, has not developed
5 a methodology for doing so, and has not evaluated the distribution of its Health and
6 Safety investments by income or energy burden.³⁰ Nor has DTE considered the need to
7 provide information and education on health and safety measures differently depending
8 on the targeted population.³¹ I believe expanding the pilot to a program, and beginning
9 neighborhood-based targeting as discussed below, will help to increase access to
10 comprehensive energy efficiency for households that are impacted by deferred
11 maintenance and that require the elimination of health and safety hazards. Furthermore,
12 as part of the continuation of the Health and Safety Pilot or as part of the expansion of the
13 Pilot to a full program, DTE should include specific budget carve outs for both single
14 family (including renter occupied), and multifamily households.

²⁹ For example, DTE's estimated participation in income-qualified EWR programs in 2022 is 5,496 participants in the EEA program and 2,450 participants in the multi-family program out of approximately 92,585 gas customers currently enrolled in DTE low-income assistance and tariff programs, an estimated 377,000 total low-income gas customers, and an estimated 389,000 low-income electric customers. (Some of these gas and electric customers may overlap as dual-fuel customers). *See* Lebrun Test., Ex. A-9, at 44, 50; Ex. SC-13, Case No. U-20881, Response to AGDG-1.4 (DTE's estimated number of low-income gas customers); Ex. SC-14, Case No. U-20876, Response to AGDE-1.4 (DTE's estimated number of low-income electric customers); Ex. SC-13, Case No. U-20881, Response to AGDG-1.6 (gas customers enrolled in low-income assistance and tariff programs); Ex. SC-14, Case No. U-20876, Response to AGDE-1.6 (electric customers enrolled in low-income assistance and tariff programs).

³⁰ Ex. SC-9, Case No. U-20876, Responses to SCDE-2.4t, -2.4u, -2.4z.2, -2.4z.3.

³¹ Ex. SC-9, Case No. U-20876, Response to SCDE-2.7.

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1 **Q. Please describe the barrier(s) that exist at the contractor selection phase of the**
2 **process.**

3 A. The fifth step occurs after the energy audit is completed and there is a scope of work
4 developed. A scope of work is a list of proposed measures that would reduce energy
5 waste and improve home energy efficiency. Once the scope of work is developed, the
6 program administrator will then bid the work out for contractors, who are interested and
7 have the capacity to complete the task, can bid on the work. For some programs, there is
8 a shortage of contractors in limited income communities and Black and Brown
9 communities that have the skill, availability, and willfulness to travel to perform
10 necessary energy efficiency and weatherization upgrades that result in maximum energy
11 waste reduction.

12 According to its discovery responses, DTE acknowledges that not every home with
13 efficiency potential will receive measures as part of the EEA program and cited several
14 reasons related to this phase of the process. DTE notes that:³²

- 15 • Certain partner organizations may not be interested in providing multiple measures for
16 all customers it serves and may instead focus on specific measures such as refrigerators.
- 17 • Partner organizations may choose to not install measures to address every opportunity
18 for energy efficiency identified in the customers home, and that ultimately, this is
19 their choice.
- 20 • Partner organizations may not have the contractor network to provide specific
21 measures.
- 22 • Partner organizations may not have requested allocations for specific measures and/or
23 the partner organization may not have allocations to provide specific measures.
- 24 • Partner organizations may not have the capacity to address every measure.

³² Ex. SC-15, Case No. U-20876, Response to NRDCNHTECDE-1.20f.

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- 1 • Partner organizations that also participate in state and/or federal weatherization
2 programs may choose to only utilize specific EEA program measures.
- 3 • Not all partner organizations conduct an initial assessment to identify all
4 opportunities for energy efficiency.

5 Each of these scenarios likely results in some program participants not receiving
6 comprehensive building shell measures and the maximum benefits resulting from these
7 measures. While acknowledgement of these barriers does not mean that limited income
8 households and Black and Brown households are disproportionately subject to these
9 barriers, there is evidence to suggest so, as discussed in Mr. Colton’s testimony. Further,
10 it suggests that improving capacity among partner organizations and allocating more
11 resources to building shell measures could help DTE reach more households with
12 weatherization. For example, only 8 of the 21 EEA participating organizations currently
13 deliver state and/or federal weatherization programs.³³ In addition, as noted in Mr.
14 Neme’s testimony, DTE currently allocates significantly more funding for the
15 replacement of gas furnaces compared to the funding allocated for building shell
16 measures like insulation and infiltration reduction.³⁴

17 **Q. Please describe the barrier(s) that exist at the end of the project when the client**
18 **evaluates their satisfaction with program outcomes.**

19 A. The sixth set of barriers occur once the energy efficiency measures are performed and is
20 related to the barrier of lack of awareness. Once engagement with the client has ended—
21 whether that is when the work is completed, if a determination is made that the applicant
22 cannot receive energy efficiency services, if the application if never submitted, etc.—the

³³ Ex. SC-15, Case No. U-20876, Response to NRDCNHTECDE-1.20a (Corrected).

³⁴ Neme Test., Gas, at Sec. III.A.

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1 client then can spread the word about the energy efficiency upgrades they received.

2 However, if the engagement or work does not meet the client's needs and/or
3 expectations, then the client may not feel inclined to share information about the program
4 to their network or community, which then contributes to the lack of awareness of the
5 program.

6 **Q. Please describe how the above-referenced neighborhood-based delivery program**
7 **can help address the barriers that exist at each of these stages.**

8 A. The proposed neighborhood-based delivery program would increase access and
9 participation among high energy burdened households by facilitating a neighborhood-
10 based approach to residential energy efficiency and by delivering holistic, comprehensive
11 weatherization measures. By utilizing this approach, DTE can 1) direct resources where
12 they are needed most; 2) partner with community-based organizations that serve the
13 target area and utilize these local relationships to increase awareness of energy efficiency
14 programs; 3) automatically qualify all households that live in the target area; 4) provide
15 flexible audit scheduling hours; 5) leverage additional state and local funding to address
16 health and safety issues and reduce deferrals; and 6) sponsor local workforce
17 development training and certification programs and opportunities for community
18 members. Each of these components is described in more detail below.

19 **Q. Please describe the proposed criteria for determining the target areas of the**
20 **neighborhood-based delivery program.**

21 A. The neighborhood-based delivery program, as proposed, would be administered at the
22 census tract level and would target census tracts with the most significant need. I propose
23 that energy burden, or the percentage of income spent on utility bills, be one of the

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1 criteria used to determine the most significant need. Using the U.S. Department of
2 Energy (“DOE”) Low-Income Energy Affordability Data (“LEAD”) Tool, which lists
3 energy burden metrics at as detailed as the census tract level, it is possible to determine
4 areas with high energy burden. I recommend focusing on certain census tracts with
5 severe energy burden (equal to or greater than 10%), along with census tracts that meet at
6 least six of the seven following characteristics identified in Mr. Colton’s accompanying
7 testimony: (1) the percentage of population with income at or below 200% of the Federal
8 Poverty Line is more than 25% higher than the average percentage for the DTE service
9 territory as a whole; (2) the percentage of SNAP (formerly known as Food Stamps)
10 recipients in the Census Tract is more than 25% higher than the percentage in the DTE
11 service territory as a whole; (3) the percentage of households with housing burdens more
12 than 40% of income is more than 25% higher than the percentage in the DTE service
13 territory as a whole; (4) the median income for the Census Tract is lower than 75% of the
14 average median incomes for the DTE service territory as a whole; (5) the average First
15 Quintile income is less than \$10,000; (6) the percentage of households with annual
16 income below \$15,000 is more than 25% higher than the percentage in the DTE service
17 territory as a whole; and (7) whether the percentage of housing units built before 1970 is
18 more than 25% higher than the percentage in the DTE service territory as a whole.³⁵

³⁵ Direct Test. of Roger Colton on Behalf of Sierra Club, the Ecology Center, and NRDC, at 29–30, Case No. U-20876 (Oct. 6, 2021) (“Colton Direct, Electric”); Direct Test. of Roger Colton on Behalf of Sierra Club, the Ecology Center, and NRDC, at 29–30, Case No. U-20881 (“Colton Direct, Gas”).

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1 **Q. Are there other data points that can help identify target areas?**

2 A. Yes. Other data points that can help identify target areas include income, access to health
3 insurance, prevalence of chronic disease such as asthma, and energy efficiency deferrals
4 or walkaways. Energy burden is a characteristic that often overlaps with these other
5 burdens or indicators of need. Said another way, someone with a high energy burden is
6 likely also experiencing other burdens in their life such as high housing cost burden,
7 substandard housing quality, food insecurity, lack of access to healthcare, and chronic
8 health conditions as examples. At the core of these burdens is the reality that many of
9 these households have limited incomes that are not able to be stretched much, thus
10 leading to trade-offs. Because many of these burdens often appear together, other
11 indicators of these burdens, such as the ones listed above, can also be helpful in
12 determining areas with the highest need for energy efficiency.

13 **Q. Based on the information provided above, do you have recommendations on specific**
14 **target areas that DTE should focus a neighborhood-based delivery program?**

15 A. Yes, I propose that the neighborhood-based delivery program focus on the following
16 census tracts: 5141, 5139, 5136, 5043, 5311, and 5314. These census tracts represent
17 areas within DTE's service territory that have severe energy burden (>9.7% minimum
18 average energy burden; >22% average energy burden among low-income households)
19 and also meet at least six out of the seven characteristics noted in Mr. Colton's testimony
20 and discussed above. Historic DTE EEA spending in each of these census tracts is also

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1 relatively low, with the possible exception of census tract 5141.³⁶ While census tract
2 5141 received comparatively high EWR spending in 2021, the need in this neighborhood
3 is significant, which I think justifies the current level of investment and highlights the
4 need for even further investment. These census tracts may also contain non-DTE funding
5 that could be leveraged to maximize the impact of DTE’s EWR weatherization programs.
6 To get a sense of scale, there are approximately 1,966 households in census tracts 5141,
7 5139, and 5136 (the St. Jean and Foch neighborhoods), approximately 692 households in
8 census tract 5043 (the Connor neighborhood), and approximately 1,110 households in
9 census tracts 5311 and 5314 (the Durfee neighborhood).

10 **Q. Please describe the proposed partnerships with community-based organizations to**
11 **help improve local awareness of energy efficiency programs.**

12 A. Currently, there are already upwards of ninety-one local community-based organizations
13 that partner with DTE to provide energy efficiency measures to eligible residents in the
14 service territory. As part of the proposed neighborhood-based delivery program, DTE
15 would continue their existing partnerships with local community-based organizations to
16 initiate a community-scale marketing and outreach campaigns that are rooted in the needs
17 of communities as communicated by the community-based organization partners and that
18 may include yard signs, local media, additional partnerships with local businesses and
19 community centers, and community events. DTE already has a model for this type of
20 geographically-targeted community outreach for its Home Energy Consultation program.

³⁶ Case No. U-20876, Attachment SCDE-1.2b-01 EEA Projects Premise Counts by Census Tract PY2019–July 2021; Case No. U-20881, Attachment SCDG-1.1b-01 EEA Projects Premise Counts by Census Tract PY2019–July 2021.

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1 According to DTE: “The HEC program markets to low income customers using zip codes
2 that fall inside HUD Qualified census tracts using a variety of methods including email,
3 direct mail, social media, outbound calling, bill insert and e-bill messaging. Pre-COVID,
4 the program participated annually in over 300 events at churches, food banks, legislator
5 coffee and conversations, community events, etc. within the low-income areas. The
6 Company will continue this when the pandemic is over. The program works with
7 community groups with a referral program so they can earn money for their church or
8 organization by referring their constituents for an HEC.”³⁷ However, as DTE
9 acknowledges, the Home Energy Consultation program itself is only “the beginning of
10 their energy efficiency journey”³⁸and does not always lead to significant energy savings.
11 DTE should expand on this neighborhood-based targeting model to ensure follow-
12 through and participation in EEA and income-qualified multi-family programs.

13 **Q. How does this differ from DTE’s current approach to marketing its low-income**
14 **EWR programs?**

15 A. I envision scale of investment as the primary difference between the proposed approach
16 and DTE’s approach. In terms of marketing and outreach strategies, there may not be a
17 significant difference in what DTE currently supports. As noted above, DTE currently
18 supports a variety of marketing and outreach strategies including, but not limited to,
19 email, direct mail, social media, outbound calling, bill inserts and e-bill messaging,
20 community events in partnership with churches and food banks, and referrals from
21 community organizations and other existing programs and services. I envision that the

³⁷ Ex. SC-14, Case No. U-20876, Response to AGDE-1.16.

³⁸ Ex. SC-13, Case No. U-20881, Response to AGDG-1.23.

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1 proposed approach would also utilize many of these same strategies but would have
2 access to additional and increased levels of funding to support these initiatives in the
3 target neighborhoods.

4 **Q. Please describe the proposed automatic eligibility process.**

5 A. As part of the neighborhood-based delivery program, I am proposing that DTE continue
6 to allow applicants to qualify for energy efficiency assistance simply by showing proof of
7 receipt of another means-tested program. According to the 2021 Income Qualification
8 Form, DTE currently allows customers to qualify for their EWR programs by showing
9 documentation and proof-of-receipt of other means-tested programs. Going forward, I
10 would encourage DTE to continue to add additional means-tested, including HUD
11 programs such as the Lead Hazard Control program.³⁹ This is important since applying
12 for means-tested programs can be time consuming and resource intensive as applicants
13 often have to provide a filled-out application, bank statements, proof of income, and
14 sometimes other documents. Individuals with a limited income may not be able to spare
15 additional time to complete the application to participate in DTE's program given that
16 time is often a scarce resource in itself.

³⁹ Around the time of the American Recovery and Reinvestment Act, there was a memorandum of understanding between HUD and DOE to set aside some income eligibility requirements for certain multi-family buildings and fast-tracked Medicaid enrollment for SNAP and WIC recipients during Affordable Care Act ("ACA") rollout. More recently, in 2020, HUD released the Healthy Homes and Weatherization Cooperation Demonstration Notice of Funding Availability, designed to encourage and provide resources for HUD's Lead Hazard Control grantees to partner with DOE Weatherization Assistance Program ("WAP") subgrantees to deliver holistic healthy homes and energy efficiency to qualifying households. This program allows for funding to be used for families that are eligible either through the HUD Lead Hazard Control program or the DOE WAP.

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1 **Q. Are there examples to highlight from other places?**

2 A. Yes, the State of Pennsylvania launched a platform that helps income-eligible residents to
3 more easily access assistance programs. The Resource Information and Services
4 Enterprise or RISE PA provides a person-centered, no-wrong-door approach to accessing
5 critical assistance and benefits.⁴⁰ With the platform, participating providers from local
6 non-profits, healthcare organizations, local government, and faith-based organizations
7 can work together to coordinate care, making it easier for families and individuals to
8 access the help they need. DTE can and should support the development of a similar
9 platform(s) within its service territory as well as help to connect its customers to other
10 programs that might be helpful to them.

11 **Q. Are there other ways to expedite the eligibility process through the neighborhood-**
12 **based delivery program?**

13 A. Yes, I believe the ideal scenario would be for any household located in the target area to
14 qualify for services simply by living in the target area. However, using this approach
15 would create some challenges when seeking to leverage additional funding from other
16 available means-tested programs that do require verifying documentation. I recommend
17 DTE explore this possibility as part of the neighborhood-based initiative I am
18 recommending.

⁴⁰ Pa. Dep't of Hum. Serv., *Res. Info. and Serv. Enter. (RISE-PA)*, <https://www.dhs.pa.gov/RISE-PA/Pages/default.aspx> (last visited Oct. 5, 2021).

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1 **Q. Please describe how the neighborhood-based delivery program can utilize additional**
2 **healthy housing programs to address health and safety hazards and reduce**
3 **deferrals.**

4 A. GHHI has been on the frontlines of holistic healthy, energy efficient housing for over
5 three decades. It has a nationally recognized direct service program based in Maryland
6 and dozens of active jurisdictions nationally, including Detroit, that are currently
7 implementing our model for holistic housing interventions. These interventions are
8 supported by workforce development and policy best practices to advance racial and
9 health equity and long-term success by improving housing conditions. Our model, which
10 was established in 2009 through a partnership with HUD, the Center for Disease Control,
11 the Council on Foundations, and the White House Office of Recovery Implementation,
12 leverages lead hazard control, healthy homes, and energy efficiency and weatherization
13 efforts. The goal of these coordinated services is to holistically address housing, health,
14 and safety risks such as lead, asthma, and injury hazards as well as energy inefficiencies
15 that drive up utility bills and reduce housing affordability. The key to this coordinated
16 service delivery model is the availability of federal, state, and local housing, health, and
17 energy funding programs that can be leveraged with utility programs to advance healthy,
18 energy efficient homes.

19 As an example, GHHI worked with an energy nonprofit, utility company, and health
20 clinic in Chattanooga, Tennessee, to map the gaps and assets of healthy housing services
21 in the city. GHHI collected publicly available health data from the Department of Health
22 and analyzed health outcomes by zip code. We also performed a landscape analysis of
23 funding, programming, and other healthy housing resources locally. It was identified that

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1 while resources existed, especially from the utility company, they were not being
2 adequately deployed to meet the health and safety needs of the community. GHHI
3 worked with the partners to align and coordinate services and funding streams to create a
4 comprehensive program where households that qualify for the utility's energy efficiency
5 program and the health clinic's healthy housing program receive coordinated services—
6 the utility's energy auditor provides a full comprehensive home assessment (for energy
7 and health) and the clinic's community health workers provide home visiting services.
8 The utility prioritizes applications from households referred from the healthy housing
9 program and the community health workers help families through the utility's energy
10 efficiency application process. DTE can and should explore this type of partnership as
11 part of the neighborhood-based delivery program to help historically underserved
12 households access improved energy efficiency.

13 **Q. What additional resources are available in DTE's service territory that could be**
14 **leveraged through the neighborhood-based delivery program?**

15 A. I think it's important to acknowledge the existence of DTE's Health and Safety Pilot,
16 whose goal is to provide resources to address health and safety issues and reduce
17 deferrals, which has been effective in reducing deferrals or walkways. The
18 neighborhood-based delivery program should also leverage resources from the existing
19 Health and Safety Pilot, which should be transitioned into a full program and should
20 include specific budget carve outs for both single-family and multifamily households. In
21 addition, below is a list of programs and resources that are available in DTE's service
22 territory that could also be leveraged. This is likely not an exhaustive list and is intended
23 to provide example programs. It is also important to note that, to date, most of the

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1 funding to improve housing conditions can be grouped under lead poisoning prevention.
2 Lead poisoning is a health condition that is generally accepted to have a housing solution
3 and most of the funding for health-based housing repairs fall under that bucket. There is
4 a growing realization that there are other healthy housing hazards that could use
5 resources to help address as evident by HUD’s Office of Lead Hazard Control and
6 Healthy Homes releasing funding opportunities to help older adults age in place and,
7 most recently in 2021, to address other healthy homes hazards through standalone healthy
8 homes grants.⁴¹

- 9 • HUD Lead Hazard Control Grant Program: HUD releases funding every year through
10 the Office of Lead Hazard Control and Healthy Homes to support remediation of lead
11 and other residential health hazards. Lead hazards are among the primary reasons
12 that comprehensive energy waste reduction measures cannot be performed and are
13 subsequently deferred. States and localities can apply for funding through this grant
14 program, which represents the single largest funding opportunity to support the
15 improvement of substandard housing conditions. There are currently six jurisdictions
16 in Michigan with Lead Hazard Reduction Program funding (Flint, Lansing, Battle
17 Creek, Grand Rapids, Detroit, and Warren). The City of Detroit’s funding was
18 awarded through HUD’s High Impact Neighborhoods program, which provides
19 funding to address lead and healthy homes hazards in four contiguous census tracts.
20 The census tracts of focus are 5238, 5240, 5241, and 5242, which are all located in
21 the 48209 zip code of Detroit.⁴² These census tracts also have high energy burdens of
22 15.6%, 20.9%, 19.8%, and 20.9% respectively.⁴³
- 23 • HUD Lead Based Paint Capital Fund: The HUD Lead Based Paint Capital Fund
24 provides financial resources to public housing authorities to identify lead hazards in
25 public housing and perform lead abatement work to eliminate those hazards. I don’t
26 believe there are any such grants in DTE’s service territory, currently. However,

⁴¹ HUD, *FY 2021 Healthy Homes Prod. Program (HHP)*, https://www.hud.gov/program_offices/spm/gmomgmt/grantsinfo/fundingopps/fy21_hhp (last visited Oct. 5, 2021).

⁴² City of Detroit Office of the Mayor, *HUD AWARDS OVER \$9 MILLION TO CITY OF DETROIT TO PROTECT FAMILIES FROM LEAD AND OTHER HOME HEALTH HAZARDS* (Oct. 3, 2019), <https://detroitmi.gov/news/hud-awards-over-9-million-city-detroit-protect-families-lead-and-other-home-health-hazards>.

⁴³ DOE, *Low-Income Energy Affordability Data (“LEAD”) Tool*, <https://www.energy.gov/eere/slsc/maps/lead-tool> (last visited Oct. 5, 2021). Data reflects DOE LEAD Tool Estimates based on 2018 survey year data.

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1 DTE can work to leverage resources in the event that any of the public housing
2 authorities receive any funding to address lead-based paint hazards.

- 3
- 4 • HUD Community Development Block Grant: The Community Development Block
5 Grant (“CDBG”) is a flexible source of funding that states and local jurisdictions
6 receive in order to advance community development. Any activity that is performed
7 through CDBG must meet at least one of the following national objectives: benefit
8 low- and moderate-income residents, prevent or eliminate blight or and areas of
9 distressed housing, or address urgent community development needs, where these
10 conditions pose a serious threat to the health or welfare of the community, and for
11 which other funding is not available. In addition, over the lifetime of the grant, which
12 may be one, two, or three-years, at least 70% of CDBG funds must be used to benefit
13 low- and moderate-income persons. If these two requirements are met, CDBG funds
can be used flexibly.

14 The allowable uses for CDBG funds are broad and include the creation or
15 rehabilitation of affordable housing and the remediation of residential health and
16 safety hazards. The primary CDBG programs to target for hazard remediation
17 funding are the CDBG Entitlement Programs and the CDBG State Programs. The
18 CDBG Entitlement Programs are often operated by local City and County housing
19 departments where applicants can apply for hazard remediation funding directly
20 through the annual CDBG application and award process. Applicants should monitor
21 the CDBG public announcements of the local application period for any such
22 funding.

23 This fiscal year, the state of Michigan and Michigan’s local jurisdictions received
24 \$126,352,569 in CDBG funding, with \$35,529,517 going to Detroit.

- 25
- 26 • HUD HOME: The HOME Investment Partnerships Program (“HOME”) is a formula
27 block grant program administered by HUD and provided to States and local
28 jurisdictions to fund affordable housing activities. The participating jurisdiction
29 provides funding primarily to local nonprofit housing development organizations with
30 a mission of constructing or rehabbing affordable housing units to eligible low-to
31 moderate-income individuals and families. HOME is the largest federal block grant
32 to state and local governments designed exclusively to create affordable housing for
33 low-income households. Funding allocated to states is typically disseminated to local
34 jurisdictions or non-profit partners via a request for proposals or a grant application.
35 Like CDBG, HOME funds may also be awarded directly to participating
36 jurisdictions. HOME funding can be used for acquisition, demolition, rehabilitation,
37 and construction of residential properties. HUD requires that 15% of HOME funds in
38 a participating jurisdiction be set aside for affordable housing development activities
39 of Community Housing Development Organizations (“CDHOs”). CDHOs are private,
40 non-profit community-based service organizations that develop affordable housing in
41 the community that they serve. In 2021, the state of Michigan and Michigan’s local
42 jurisdictions received \$41,168,907 in HOME funding, with \$7,334,820 going to
Detroit.

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- 1 • United States Department of Agriculture (“USDA”) Housing Preservation Grants:
2 USDA Housing Preservation Grants (also called Section 533 Housing Preservation
3 Grants) provide money to organizations for the rehabilitation of tribal or rural housing
4 for low-income families (50–80% of the Area Median Income) or very low-income
5 families (less than 50% of the Area Median Income). This grant program defines
6 rural areas as towns or jurisdictions with no more than 20,000 people. State and local
7 governments, as well as non-profit organizations are eligible to apply. The national
8 total for the grant allocation is up to \$10 million.⁴⁴

9 The grant is designated for properties owned by low- or very low-income individuals,
10 or rental properties where the landlord agrees to rent to low- or very low-income
11 households. The money can be used for various housing preservation activities
12 including the installation of energy conservation measures, roof replacement,
13 relocation costs, and for the removal of health and safety hazards to bring properties
14 in compliance with federal and local codes.

- 15 • CHIP Health Services Initiative: The Children’s Health Insurance Plan (“CHIP”) uses
16 federal and state funds to provide health coverage to over 9 million eligible children
17 through Medicaid and other CHIP-specific programs. Originally created in 1997,
18 CHIP is administered at the state level through the state Medicaid program, as a
19 standalone program, or as a combination of the two. States partially fund CHIP out
20 of their state budgets and receive a federal match that varies by state. The eligible
21 federal match is based on the Medicaid Federal Medical Assistance Percentage
22 formula that has ranged from 65% to 81%, compared to 50% to 73% for children in
23 Medicaid. However, federal spending in CHIP is capped and states must provide
24 matching funds to get their full federal funding allotment.

25 CHIP presents an excellent opportunity for states to address lead because, through
26 Health Services Initiatives (“HSIs”), they can launch public health initiatives and take
27 advantage of a match rate for federal funds that is significantly higher than the rate
28 for general Medicaid programs. The enhanced CHIP match rate for Pennsylvania is
29 66.54% in FY21, meaning that for every \$1 invested in CHIP activities, the federal
30 government pays 66.54 cents. With this match rate, Pennsylvania can leverage
31 significant federal funding with a relatively small allocation, though total
32 expenditures for non-coverage services must not exceed 10% of the state’s total
33 amount spent on CHIP health benefits. Another benefit of HSIs are that they do not
34 require a Medicaid waiver, but only a state plan amendment (“SPA”). The SPA
35 submission and approval process is generally less burdensome and time-consuming
36 than it is for a waiver. HSIs are designed by states and must directly improve the
37 health of low-income children under age 19 who are eligible for CHIP or Medicaid.

38 The Centers for Medicaid and Medicare Services (“CMS”) specifically calls out lead
39 poisoning screening and prevention services as a suitable application for HSIs in its

⁴⁴ USDA Rural Dev., *Housing Preservation Grants*, <https://www.rd.usda.gov/programs-services/housing-preservation-grants> (last visited Oct. 5, 2021).

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1 HSI FAQ document.⁴⁵ The FAQ document states the following regarding lead
2 abatement activities, among other requirements, “Any state pursuing a lead abatement
3 HSI would need to demonstrate the need the [sic] for the initiative and must meet the
4 following criteria: individuals performing abatement service must be properly
5 certified by the state; performance of the abatement must be demonstrated to be
6 effective in removing all lead hazards; the program must be time limited; and the state
7 must work with CMS to develop metrics to measure the effectiveness of the lead
8 abatement activities. Any HSI focused on water-based lead abatement must
9 demonstrate how the strategies, either alone or in combination with other resources or
10 state and local efforts, ensure complete and not partial abatement of service lines and
11 other related fixtures.”⁴⁶

12 Several states have obtained approval for HSIs to provide lead abatement or follow-
13 up services. In 2016, Michigan was approved for an HSI focused on lead abatement
14 in relation to the Flint water crisis and the state’s Medicaid 1115 Waiver (see Section
15 1115 Waivers section) for \$119 million in funding over five years. Funding from the
16 HSI was authorized to be used in Flint as well as in other parts of the state, where
17 children on Medicaid and/or CHIP have elevated blood lead levels greater than or
18 equal to 5 micrograms per deciliter.⁴⁷ DTE could work with local health departments
19 to share information on children with elevated lead levels and perform weatherization
20 services in conjunction with lead-based paint remediation activities.

21 • Weatherization Assistance Program (“WAP”): WAP is administered by the DOE and
22 seeks to reduce energy costs for income-eligible households by increasing the energy
23 efficiency of their homes. The DOE WAP program received \$290 million dollars for
24 FY 2020 to be funneled through all 50 states, the District of Columbia, Native
25 American Tribes, and the five U.S. territories to local agencies that implement the
26 program.⁴⁸ For the most recent program year, Michigan is requesting over \$33
27 million for WAP.⁴⁹ The opportunities for using weatherization funds to address lead
28 hazards in the home lie in using funds for health and safety measures. Up to 15% of a
29 state’s weatherization fund can be used for eligible health and safety measures,
30 outlined in the 2017 Weatherization Program Notice 17-7 for Weatherization Health
31 and Safety Guidance which supersedes the WAP 11-6 Health and Safety Guidance.⁵⁰

⁴⁵ CMS, *Frequently Asked Questions (FAQs) Health Serv. Initiatives* (Jan. 12, 2017), <https://www.medicaid.gov/federal-policy-guidance/downloads/faq11217.pdf>.

⁴⁶ *Id.*

⁴⁷ CMS, *Mich. Health Serv. Initiative* (Nov. 14, 2016), <https://www.cms.gov/newsroom/fact-sheets/michigan-health-services-initiative#:~:text=Michigan%20Health%20Services%20Initiative%20To,day%20the%20Centers%20for,and%20other%20areas%20within%20the%20state%20of%20Michigan>.

⁴⁸ Nat’l Ass’n for State Cmty. Serv. Programs, *WAP Appropriations and Reauthorization*, <https://nascsp.org/wap/advocacy/wap-appropriations-and-reauthorization/> (last visited Oct. 5, 2021).

⁴⁹ State of Mich. Dep’t of Health and Hum. Serv., *Application for Federal Assistance SF-424* (Dec. 11, 2019), https://www.michigan.gov/documents/mdhhs/PY21-WAP-State-Plan-Draft_722055_7.pdf.

⁵⁰ DOE, *Weatherization Program Notice 17-7* (Aug. 9, 2017), <https://nascsp.org/wp-content/uploads/2018/02/wpn2017-720hs208.9.17-1.pdf>.

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1 According to the guidance document, WAP Grantees are allowed to perform health
2 and safety measures if actions are needed to perform energy efficiency measures and
3 costs of performing such measures are reasonable, as decided by DOE.⁵¹ While it is
4 not required, grantees are encouraged to budget the health and safety measures
5 separately from energy efficiency measures so that costs for the former do not have to
6 be cost-justified and can be excluded from cost-benefit calculations in program
7 evaluations.⁵²

8 Furthermore, some states do coordinate and leverage WAP funding with utility
9 ratepayer funded programs to help address gaps in either program. For example, in
10 the second half of 2020, there were 144 completed weatherization jobs using both
11 WAP funding and Empower funding. Empower is the ratepayer-funded energy
12 efficiency initiative in Maryland.⁵³ Similarly, in Michigan, some DTE EWR
13 participating organizations also deliver WAP services and may be coordinating both
14 programs. If so, it is important that this coordination continues and is expanded to
15 holistically serve DTE’s high energy burdened customers.

- 16 • The Low-Income Heating and Energy Assistance Program (“LIHEAP”): LIHEAP is a
17 federal program, administered by the Pennsylvania Department of Human Services,⁵⁴
18 that helps residents pay their utility bills. There are three components to LIHEAP: (1)
19 cash benefits to help eligible households pay for their home-heating fuel; (2) crisis
20 payments to resolve weather-related, supply shortage, and other household energy-
21 related emergencies; and (3) energy conservation and weatherization measures to
22 address long-range solutions to the home-heating problems of low-income
23 households. In Michigan, the funding for weatherization services are transferred to
24 and administered by the Michigan Department of Health and Human Services and the
25 portion of LIHEAP transferred to weatherization is typically used to address health
26 and safety hazards to prevent deferrals. According to Michigan’s FY 22 LIHEAP
27 State Plan, mold remediation, moisture control, knob and tube wiring issues, other
28 electrical issues, grading, roof repair, pest control, and others are all allowable
29 measures that can be performed using LIHEAP funding.⁵⁵ Similarly, in Maryland, up
30 to \$2,225,000 or 3% of total LIHEAP allocation can be used to for weatherization
31 services.⁵⁶

⁵¹ *Id.*

⁵² *Id.*

⁵³ Md. Dep’t of Hous. and Cmty. Dev., *EmPOWER Maryland Limited Income Programs Semi-Annual Report Q3Q4 2020* (Feb. 15, 2021), https://webapp.psc.state.md.us/newIntranet/Casenum/NewIndex3_VOpenFile.cfm?filepath=//Coldfusion/Casenum/9400-9499/9494/Item_270\2020.02.152020-Q3Q4LimitedIncomeSemi-AnnualReport.pdf.

⁵⁴ Pa. Dep’t Hum. Serv., *Heating Assistance / LIHEAP*, <https://www.dhs.pa.gov/Services/Assistance/Pages/LIHEAP.aspx> (last visited Oct. 5, 2021).

⁵⁵ Mich. Dep’t of Health and Hum. Serv., *Detailed Model Plan (LIHEAP)* (Report Period 10/01/2021 to 09/30/2022), https://www.michigan.gov/documents/mdhhs/LIHEAP_State_Plan_FY22_732586_7.pdf.

⁵⁶ Md. Dep’t of Hum. Serv., *Detailed Model Plan (LIHEAP) Revision #1* (2018) (Report Period 10/01/2018 to 09/30/2019), https://dhs.maryland.gov/documents/OHEP/MARYLAND-DETAILED-MODEL-PLAN-LIHEAP_10_01_2018.pdf.

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1 • Michigan’s Lead Poisoning Prevention Fund and Minor Repair Fund: Recently, on
2 September 21, 2021, Governor Whitmer signed the \$70 billion state budget that
3 included \$10 million in funding for the Lead Poisoning Prevention Fund and \$5
4 million for the Minor Home Repair Fund.⁵⁷ The Lead Poisoning Prevention Fund
5 leverages support from foundations and lending institutions to provide low-interest
6 loans to homeowners and landlords to remediate lead hazards. The Minor Home
7 Repair Fund provides critical dollars that can be used by local agencies to address
8 health and safety hazards that prevent residents from accessing weatherization
9 services.

10 **Q. Is there other funding that could be leveraged to increase access to energy**
11 **efficiency?**

12 A. Yes. Anchor institutions such as universities and hospitals often impact the landscape of
13 communities in numerous ways, including construction of facilities, workforce
14 development, and gentrification. These institutions also rely on their communities and
15 the wellbeing of the people who live there to support their workforce and growth. State
16 and local leaders should convene anchor institutions to develop plans for community
17 development in safe, healthy, affordable housing. Below are some potential ways to
18 funnel anchor institution resources into healthy housing:

19 Hospital Community Benefits

20 The Hospital Community Benefits program, established under the 2010 ACA, requires
21 nonprofit hospitals to invest in their local communities through population health
22 initiatives, as a requirement for retaining the hospital or health system’s tax-exempt status
23 with the federal government. Section 501(r) of the Internal Revenue Code lays out the
24 requirement in more detail, including the following provisions that nonprofit hospitals
25 must meet:

⁵⁷ Morgan Butts, *Mich. Budget Includes Big Wins for Healthy Homes*, Mich. Env’t Council (Sept. 29, 2021), https://www.environmentalcouncil.org/michigan_budget_includes_big_wins_for_healthy_homes.

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- 1 • Conduct a Community Health Needs Assessment on an every-three-year basis,
2 and create an implementation strategy for the top priority needs;
- 3 • Establish a written financial assistance policy for medically necessary and
4 emergency care;
- 5 • Comply with specified limitations on hospital charges for those eligible for
6 financial assistance; and
- 7 • Comply with specified billing and collections requirements.

8 In many cases, hospitals and health systems direct the majority of their Community
9 Benefits dollars to medically necessary and emergency care for patients who cannot
10 qualify for Medical Assistance. However, according to the guidelines of the ACA,
11 Community Benefit funds can be used to address the upstream causes of poor health
12 outcomes, or social determinants of health. These include housing conditions, as well as
13 capacity building and workforce development for programs that promote healthy and
14 affordable housing. In order to invest in healthy housing, the hospital’s community needs
15 health assessments must identify residential lead exposure as a local health priority in the
16 community that the hospital or health system serves.

17 University Endowment Funds

18 Substandard and unstable housing has a direct impact on academic achievement over the
19 life course, including children’s ability to graduate from high school and gain the skills
20 needed to be successful, productive members of the state’s workforce. As an example, in
21 2020, the University of Pennsylvania pledged \$100 million over ten years to the school

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1 district of Philadelphia to address environmental hazards in schools such as lead and
2 asbestos.⁵⁸

3 **Q. What should DTE do with the knowledge of programs that can be leveraged with**
4 **their own?**

5 A. To complement and increase the effectiveness of the neighborhood-based delivery
6 program, which could be implemented immediately with respect to outreach and
7 marketing, DTE should convene a working group designed to bring together the
8 administrators of various home repair and healthy housing programs that are available
9 and located in DTE's service territory, specifically in the neighborhood-based delivery
10 program target area. The goal of the working group should be to discuss and increase
11 coordination with these programs to support increased access to more holistic healthy
12 housing and energy efficiency programming as well as support any effort to implement a
13 neighborhood-based delivery program. Convening a working group focused on
14 delivering energy efficiency programming to specific census tracts increases program
15 effectiveness ensuring that high energy burdened customers receive all of the benefits of
16 energy efficiency measures. In addition, focusing on specific census tracts can also be
17 helpful in concentrating resources to overcome barriers to program coordination. The
18 model developed could then be scaled up and expanded to incorporate other high-energy
19 burdened areas.

⁵⁸ Murray, Connor, *Penn pledges \$100 million to Philadelphia public schools to address environmental hazards*, The Daily Pennsylvanian (Nov. 17, 2020), <https://www.thedp.com/article/2020/11/penn-philadelphia-school-district-contribution-pilots>.

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1 **Q. Are there examples of innovations and programs that can be used as models to**
2 **increase access to energy waste reduction programs by addressing health and safety**
3 **hazards?**

4 A. Yes, there are numerous examples of efforts to increase access to energy efficiency
5 programs by addressing health and safety hazards. At the federal level, HUD has a
6 demonstration program that supports coordination between its Lead Hazard Control
7 Grantees and DOE's WAP subgrantees. The goal is of this program is to maximize the
8 benefits of both programs and reduce deferrals for the weatherization program.

9 At the state level, the New York State Energy Research & Development Authority
10 designed a \$6.1 million value-based payment pilot to invest in improving housing quality
11 for homes of New York Medicaid members with health conditions that are connected to
12 housing conditions with the goal of leveraging Medicaid Dollars.⁵⁹ In addition,
13 Washington State established a Weatherization Plus Health program, which expanded its
14 weatherization program to also support improvements such as mold and moisture and
15 ventilation improvements that help children and adults combat asthma and also reduce
16 weatherization deferrals.⁶⁰ More recently, the New Jersey Board of Public Utilities
17 embarked on a process to create a Whole House Pilot to leverage federal, state, and local

⁵⁹ N.Y. State Energy Rsch. and Dev. Auth., *NYSERDA Pub. Auth. Law Report* (2021), <https://www.nysesda.ny.gov/-/media/Files/Publications/Annual-Reports-and-Financial-Statements/2021-june-nysesda-semi-annual-report.pdf>.

⁶⁰ Wash. State Dep't of Com., *Weatherization Plus Health (Wx+H)*, <https://www.commerce.wa.gov/growing-the-economy/energy/weatherization-and-energy-efficiency/matchmaker/weatherization-plus-health-wxh/#:~:text=Weatherization%20Plus%20Health%20%28Wx%2BH%29%20In%202015%20the%20Washington,combat%20asthma.%20This%20initiative%20is%20Weatherization%20Plus%20Health> (last visited October 5, 2021).

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1 resources to address household health and safety concerns and reduce deferrals in its rate-
2 payer funded utility energy efficiency programs.⁶¹

3 There are a couple examples to point to at the local level as well. In 2012, the Maryland
4 Public Service Commission created the \$113 million Customer Investment Fund (“CIF”)
5 out of the Exelon Corporation and Constellation Energy merger.⁶² The fund was created
6 to provide energy efficiency and low-income rate assistance to customers of the
7 Baltimore Gas & Electric Company territory. The funds from CIF were awarded directly
8 to five entities: Baltimore City, Baltimore County, The Fuel Fund of Maryland,
9 Comprehensive Housing, and the Maryland Energy Administration. With this new
10 investment, the previously deferred homes were targeted for energy efficiency
11 improvements first. Initially, the total budget for energy efficiency projects funded by
12 CIF was \$21,700, with \$15,000 allotted for health and safety and \$6,700 for energy
13 efficiency measures. However, this amount for health and safety was doubled after
14 realizing that the original amount was insufficient in addressing health and safety hazards
15 needed to perform energy efficiency upgrades in more at-risk housing. A more recent
16 example in Milwaukee points to the leveraging of American Rescue Plan funding to
17 invest \$5 million in a Climate, Energy, and Equity Upgrade program to help households

⁶¹ Order Approving Consultant, Docket No. Q020090624 (N.J. Bd. of Pub. Utils. Apr. 17, 2021), <http://www.nj.gov/bpu/pdf/boardorders/2021/20210407/8A%20ORDER%20Whole%20House%20Program.pdf>.

⁶² Order No. 84698, Case No. 9271 (Md. Pub. Serv. Comm’n Feb. 17, 2012), https://www.spiegelmc.com/wp-content/uploads/2012/02/Exelon-Constellation-Merger-OpinionFinal_V2_2012_02_23_10_56_49.pdf.

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1 with high energy costs.⁶³ The design of the program has not been determined yet but I
2 think it's worth following.

3 Finally, I'll point to a couple of examples of private healthcare entity efforts to improve
4 housing conditions. In August 2021, Penn Medicine Lancaster General Health launched
5 a first of its kind initiative that is funded and led by a health system to identify and
6 remediate lead hazards in Lancaster County.⁶⁴ While this initiative is focused on
7 remediating household lead hazards, the establishment of this program presents an
8 opportunity coordination with other local healthy housing and energy efficiency
9 programs and efforts. Similarly, ProMedica, which is both a health plan and health
10 system, is embarking on an effort to address social determinants of health in communities
11 that they serve by launching an Impact Fund that will fund and develop social
12 intervention programs that improve health.⁶⁵ Their initiative involves an effort to
13 improve the quality of existing housing by addressing problems like broken windows,
14 trip and falls hazards, mold, and lead-based paint—all of which can be sources of deferral
15 for energy efficiency programs.

16 In mentioning these programs, I recognize that DTE may not have the authority or
17 jurisdiction to implement programs like these. However, to date, DTE has failed to meet

⁶³ Olivia Stern, 'Unprecedented Opportunity': Milwaukee Outlines Initial Plans for American Rescue Plan Money, Up North News (July 13, 2021), <https://upnorthnews.com/2021/07/13/unprecedented-opportunity-milwaukee-outlines-initial-american-rescue-plan/>.

⁶⁴ Penn Medicine Lancaster Gen. Health, *Penn Medicine Lancaster Gen. Health launches Lead-Free Families initiative to combat lead poisoning across Lancaster County* (Aug. 23, 2021), <https://www.lancastergeneralhealth.org/news/press-releases/2021/august/penn-medicine-lancaster-general-health-launches-lead-free-families-initiative>.

⁶⁵ ProMedica, *ProMedica Looks to Home Improvement to Help Transform Health Care*, <https://www.promedica.org/newsroom/sdoh/promedica-looks-to-home-improvement-to-help-transform-health-care> (last visited Oct. 5, 2021).

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1 the need for significant, comprehensive weatherization services in underserved
2 communities and should consider thinking outside of the box to leverage additional
3 resources, such as the ones listed above, that can be helpful in meeting the need. As one
4 idea, DTE can convene working groups with entities within its service territory, that are
5 similar to the ones mentioned above, to design coordinated programs that more
6 holistically advance healthy and energy efficient housing for residents of underserved
7 communities. Prior to convening a working group, DTE should start to map the
8 availability of these funds, starting with the census tracts recommended above, as well as
9 list the most significant barriers and funding coordination opportunities to building shell,
10 weatherization measures for high energy burdened neighborhoods

11 **Q. Please describe how the neighborhood-based delivery program can promote**
12 **training and certification for residents and community members to build capacity to**
13 **provide energy efficiency upgrades in their communities.**

14 A. Directing energy efficiency resources to certain target areas can build the demand needed
15 to build and sustain energy efficiency jobs. One of the barriers that we hear often is that
16 housing rehab workers that are trained and certified sometimes have trouble getting
17 hired—presumably because of the lack of demand for services. With a targeted
18 investment in certain communities, demand for energy efficiency services should
19 increase therefore increasing job placement.

20 **Q. Are there key components that should be a part of the neighborhood-based delivery**
21 **program workforce development training and certification effort?**

22 A. Yes, DTE should ensure that there are training and certification centers located in the
23 target area to increase accessibility for interested community members. DTE should also

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1 consider sponsoring the training and certification for some prospective workers. One of
2 the major barriers of entry into the energy efficiency workforce is the upfront cost of
3 training and certification as well as tools and materials needed for the job. DTE has
4 noted that some partner organizations may not have the capacity to address every
5 measure and others may not have the contractor network with the capacity to provide
6 specific measures. DTE could help increase capacity by supporting and covering the
7 upfront cost of becoming a participating contractor.⁶⁶ In addition, DTE should
8 incorporate explicit provisions within its plan to train energy auditors to identify health
9 and safety hazards during in-home assessment, requiring auditors to conduct a health and
10 safety assessment, and communicating presence and impact of hazards to the occupant.
11 DTE should also invest in cross-training energy efficiency contractors to address health
12 and safety hazards such as lead, mold, and asbestos. DTE has noted that, in some cases,
13 the same contractor that performs energy efficiency measures may also perform health
14 and safety upgrades, while in other cases partnering organizations may subcontract the
15 health and safety measures if they do not have the capacity in-house. DTE could help to
16 increase capacity within partnering organizations or in the larger contractor market for
17 contractors to develop the ability to perform energy efficiency measures and address
18 health and safety hazards. With the potential to leverage funding and resources from
19 healthy housing programs, it's important that the energy efficiency workforce is able to
20 identify and address health and safety issues, which would enable companies and firms to
21 take advantage of additional leveraged funding that may have additional healthy housing

⁶⁶ DTE states that “[t]he company does not have examples of efforts to improve capacity among contractors for implementing weatherization measures with its Education [program] funding.” Ex. SC-9, Case No. U-20876, Response to SCDE-1.18.

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1 training and certification requirements. Currently, DTE does not require their contractors
2 to undergo any healthy homes trainings.⁶⁷

3 **Q. Are there examples of neighborhood-based workforce development programs that**
4 **can be viewed as models?**

5 A. Yes, I'll highlight three. The first is the Master Home Environmentalist Program in
6 Memphis, where neighborhood leaders nominated community members to participate in
7 a two-day training to conduct Home Environmental Assessments and then six training
8 participants were hired as Master Home Environmentalist Assessors.⁶⁸ Incorporated in
9 the program are workforce development opportunities to participant in additional
10 trainings to learn skills such as installing flood lights, programmable thermostats,
11 weatherstripping, and weatherization.

12 The second is a partnership between GHHI's Rhode Island site and the Rhode Island
13 Builders Association Latino Advisory Board to provide bilingual workforce development
14 trainings for healthy homes assessments and asthma specific housing interventions for
15 registered Latino contractors in the state. The partnership aims to increase healthy
16 housing workforce capacity for Latino construction business owners to start their
17 pathway as healthy homes environmental assessors and contractors that will yield higher
18 production of comprehensive housing interventions in the Rhode Island community.

⁶⁷ Ex. SC-9, Case No. U-20876, Response to SCDE-2.4k.

⁶⁸ BLDG Memphis, *Investing in Health through Housing in North Memphis: Master Home Environmentalist (MHE) program* (June 11, 2020), https://www.bldgmemphis.org/investing_in_health_through_housing_in_north_memphis_master_home_environmentalist_mhe_program.

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1 Also, recently in September 2021, Governor Kathy Hochul of New York announced a
2 \$36 million new initiative to establish Regional Clean Energy Hubs that will serve as
3 centers of outreach, awareness, education, and workforce development and training, and
4 improve community engagement of energy and climate programs.⁶⁹ The initiative will
5 connect residents of these communities to workforce training and development
6 opportunities in the clean energy workforce, with a focus and priority on career pathways
7 for populations in disadvantaged and underserved communities.

8 **Q. Are there any additional recommendations for DTE with regard to any of its**
9 **programs or pilots?**

10 A. Yes. DTE should regularly report on diverse suppliers that provide EWR measures. In
11 his testimony, Kevin Bilyeu stated that “[u]pdates regarding the level of investment with
12 minority- and women-owned firms will be provided in... future EWR reconciliation
13 filings.”⁷⁰ DTE should be required to report such updates in its annual reconciliation
14 filings and the low-income EWR working group to ensure that the Company is equitably
15 providing opportunities to diverse suppliers and ensuring a diverse EWR contractor
16 workforce.

⁶⁹ N.Y. State, *Governor Hochul Announces \$36 Million ‘Regional Clean Energy Hubs’ Initiative to Help Provide Clean Energy Solutions And Opportunities at the Community Level* (Sept. 23, 2021), <https://www.governor.ny.gov/news/governor-hochul-announces-36-million-regional-clean-energy-hubs-initiative-help-provide-clean>.

⁷⁰ Bilyeu Direct, Electric at 14:1–15:1–2; Qualifications and Revised Direct Test. of Kevin L. Bilyeu, at 14, Case No. U-20881 (Sept. 29, 2021).

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1 **Q. Are there any additional recommendations for DTE with regard to any of its**
2 **programs or pilots?**

3 **A.** Yes. DTE should incorporate the use of healthy building materials into the design of its
4 health and safety pilot and any health and safety pilot should be designed to conform to
5 best practices including the use of healthy building materials.

6 **Q. Does the use of healthy building materials in health and safety and energy efficiency**
7 **measures conform to best practices for implementing these measures?**

8 **A.** Yes. While we know that health and safety measures, weatherization and energy
9 efficiency upgrades can improve health outcomes, it is also true that certain building
10 materials can create adverse health impacts as a result of chemical emissions from some
11 of the materials commonly used for these upgrades, such as insulation and air sealing
12 materials that are often used in many energy efficiency retrofit programs. These
13 materials often contain persistent, bioaccumulative, or toxic (“PBT”) chemicals. These
14 chemicals are often asthmagens, reproductive or developmental toxicants, endocrine
15 disruptors, or carcinogens.

16 A detailed report published by Energy Efficiency For All (“EEFA”),⁷¹ includes
17 recommendations of materials to avoid when installing energy efficiency measures, and
18 also offers detailed recommendations of safer alternatives, many of which are comparable

⁷¹ Ex. SC-16, EEFA, *A Guide to Healthier Upgrade Materials* (Sept. 2018), https://assets.ctfasse.ts.net/ntcn17ss1ow9/3Bw3JFqYHgI7xWcvb7unwN/ec90d476bc2fd1315fb018eeeb467978/NRDC-3084_Guide_to_Healthier_Retrofit_Hi-res_smaller.pdf.

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1 in cost. Additionally, an EEFA, Elevate Energy, NRDC, and Three³ Inc. case study,⁷²
2 demonstrates that safer insulation materials perform well in affordable multi-family
3 retrofits through a look at thirteen Chicago metropolitan-area multifamily properties. As
4 DTE's pilot is developed to address health and safety issues in low-income homes,
5 materials that are potential toxicants that can lead to adverse health outcomes should be
6 avoided.

7 For insulation materials, spray foam insulation, polystyrene, and polyisocyanurate should
8 be avoided because they contain halogenated flame retardants which are known PBT
9 chemicals, as well as reproductive and developmental toxicants. Mineral wool batts and
10 boards should also be avoided because they contain formaldehyde, a known carcinogen
11 and asthmagen. Safer alternatives include cellulose based or fiberglass insulation.

12 For air sealant materials, polyurethane and modified polymer sealants should be avoided
13 because they contain isocyanate and phthalates, which have been linked to respiratory
14 issues and can act as developmental toxicants. Safer materials include acrylic sealants
15 and non-combustible sodium silicate caulk. DTE can look to the EEFA Healthy Building
16 Materials report for additional recommendations for how to avoid these toxic materials
17 and choose better, cost-effective materials for its proposed health and safety pilot.

18 In addition to avoiding building materials containing potential toxicants and utilizing
19 cost-effective healthy building materials, an annual reporting requirement should be put
20 in place as part of any health and safety pilot or program. Retrofit installers should be

⁷² Ex. SC-17, EEFA et al., *Case Study: Energy Performance of Chicago Properties Retrofit with Fiber Glass Insulation* (Aug. 2019), https://assets.ctfassets.net/ntcn17ss1ow9/2QzVAhrRCOziSkQ6g2y1Wl/87edb9764e2c9d1bda72fed4571c9b95/EE_Chicago_report_FINAL.pdf.

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1 required to provide information on the top three materials being used in low-income
2 retrofits for:

- 3 1. Insulation
- 4 2. Caulks/ sealants (all applications except HVAC/ ducts)
- 5 3. Caulks/ sealants (for HVAC/ ducts)

6 Current information generally indicates that materials containing chemicals of concern
7 and safer materials are both utilized in energy efficiency retrofits. Requiring reporting
8 will provide the data to better understand material performance and the scope of usage of
9 materials containing chemicals of concern. It may also help to increase the non-energy
10 benefits, and associated data, on Income Qualified Single Family and Multifamily
11 Retrofit work.

12 **Q. Please summarize your conclusions and recommendations to the Commission.**

13 A. On behalf of Sierra Club, NRDC, and the Ecology Center, I recommend that the
14 Commission require DTE to implement a neighborhood-based delivery program with the
15 goal of increasing access to DTE's EWR programs and alleviating the energy burden of
16 households located in high-energy burdened neighborhoods. The neighborhood-based
17 delivery program should incorporate a large-scale marketing and outreach campaign in
18 partnership with local community-based organizations; ease the eligibility and
19 qualification process by automatically qualifying all households in these target areas;
20 provide flexible audit scheduling hours; leverages additional sources of funding to
21 address health and safety issues and reduce weatherization walkways, including but not
22 limited to DTE's own Health and Safety Pilot; and advance local workforce development

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1 training and certification programs and opportunities to increase capacity to meet the
2 need for weatherization services that exists in the target census tracts. As a starting point,
3 the program should target the 5141, 5139, 5136, 5043, 5311 and 5314 census tracts,
4 which are areas of high need, or use the criteria discussed above to identify other
5 appropriate targets.

6 Additionally, the Commission should require DTE to regularly report on diverse
7 suppliers that provide EWR measures and incorporate the use of healthy building
8 materials into its retrofit pilots and programs, beginning with the Health and Safety Pilot.
9 I also recommend that as part of the continuation of the Health and Safety Pilot or as part
10 of the expansion of the Pilot to a full program, the Commission should require DTE to
11 include specific budget carve outs for both single family (including renter occupied), and
12 multifamily households.

13 Finally, I recommend that the Commission require DTE sponsor energy efficiency
14 workforce development training and certification programs in underserved communities
15 that include cross-training auditors and contractors to identify and address health and
16 safety hazards such as mold, lead, and asbestos. DTE should ensure that there are
17 training and certification centers located in the target area to increase accessibility for
18 interested community members. DTE should also consider sponsoring the training and
19 certification for some prospective workers. DTE should incorporate explicit provisions
20 within its plan to train energy auditors to identify health and safety hazards during in-
21 home assessment, requiring auditors to conduct a health and safety assessment, and
22 communicating presence and impact of hazards to the occupant. DTE should also invest

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1 in cross-training energy efficiency contractors to address health and safety hazards such
2 as lead, mold, and asbestos.

3 **Q. Does that complete your testimony?**

4 **A. Yes.**