

Glendale Water & Power 's Cool Care Program

Brief Overview & Description of Program

The Cool Care program is a refrigerator replacement program for low-income customers. It helps low-income customers reduce their electric bills by replacing their old, inefficient refrigerator that is in working condition and at least 10 years old, with a new money saving ENERGY STAR® model. To date we have replaced 3,029 refrigerators with new energy efficient ones.

Summary of actual or anticipated benefits as a result of the activity.

Since the program's inception in April 2003 until now, **we have replaced 3,029 energy guzzling refrigerators with new ENERGY STAR models.** Cumulative annual savings produced are 2095 mWh and cumulative reductions are 163 KW, these savings are expected to last for 18 years. That is over 34,199 mWh, which is enough electricity to power over 11,000 Glendale apartments for one year. Participating low-income customers are reducing their electric bills by **\$300,000 a year for the next 18 years.** Expenditures to date for this program are \$1,674,844 of our Public Benefits funds.

Why was this activity undertaken?

Refrigerators can account for 30-40% of a low-income household's energy use. With an ENERGY STAR refrigerator, low-income customers can enjoy the benefits of reduced energy bills and save an average of \$106 per year by replacing their old inefficient refrigerator.

Many of our low-income customers have high energy bills, but don't know why. Mostly, they live in small rental units in apartment buildings and don't have too many light fixtures and electrical appliances that consume a lot of energy. Their number one energy guzzling appliance is their old refrigerator. They cannot afford to purchase a new one since newer efficient models start around \$700. They have no choice and must continue to use their old refrigerators.

GWP offers a rebate through our Smart Home Residential Rebate program for a new ENERGY STAR refrigerator, but low-income customers cannot afford to purchase a new refrigerator and the rebate isn't enough to cover their purchase. Instead they keep using their old energy guzzling refrigerator or purchase other second-hand inefficient refrigerators which are cheaper to purchase, but more expensive to run.

Old Refrigerator	ENERGY STAR Model
Uses an estimated 1200 kWh per year	Uses an estimated 440 kWh per year
Costs for running per year \$168	Cost of running per year \$62
	Save \$1,600 over the life of the refrigerator!

With the Cool Care program we put their mind at ease through this simple program. We offer to pick-up their old refrigerator, replace it with a new ENERGY STAR model the same day! We

recycle the old one in an environmentally safe manner and charge the customers a \$100 co-pay for their new refrigerator which they can pay on their bi-monthly utility bill for over two years.

Landlords of low-income customers who own the refrigerator can also apply for this program for their tenant. If the landlord owns the refrigerator and their tenant is a low-income customer, then they can apply for the Cool Care program and the co-payment for the landlord is \$200 over two years.

How was the activity implemented?

GWP needed to design a program using Public Benefit funds that will help low-income customers overcome the burden of high electric bills caused by their inefficient refrigerators and help them save money and offer them a new alternative. In 2002, GWP went out to bid for a company that could supply new ENERGY STAR refrigerators to these customers, pick up the old models, deliver the new model and recycle the inefficient one in an environmentally friendly manner. GWP through an RFP process contracted with Appliance Recyclers of America (ARCA). They are a Minnesota based company with offices in California that help utilities supply new appliances to consumers and help recycle the old ones.

Customers must meet two eligibility requirements for the Cool Care program. They must be a GWP low-income customer for at least 12 months and their operable refrigerator must be at least 10 years old and in regular use in their kitchen. The program is simple, the customer obtains an application from GWP, proof of low-income is checked when the application is submitted then the approved customers information is sent to ARCA. ARCA contacts the customer and arranges a convenient appointment. The old refrigerator is picked-up and the new one is delivered the same day. The customer can choose between a 15 or 18. cubic foot ENERGY STAR model. Customers also have the option of purchasing an extended 5-year warranty for their new refrigerator that cover parts and labor for an additional \$89, which can also be placed on their bi-monthly utility bill.

GWP first advertised the program in our customer newsletter *The Source* and interest in the program was immediate. Customers had to be placed on a waiting list since ARCA couldn't supply enough refrigerators to meet customer demand. In fiscal year 03-04 the demand was so high that funding for Cool Care had run out, and we needed to go back to City Council for more funding for this program. GWP has never needed to advertise this program after the initial write up in our newsletter. There has been no need to since the buzz in the community started a year after the program due to residents in apartment buildings noticing their neighbors receiving new refrigerators and then they would apply. Cool Care is one of our most successful low-income programs implemented.

What contribution has the activity made to consumers in the community?

Low-income customers are now saving money on their energy bills and have reduced their energy consumption and are enjoying having a brand new ENERGY STAR refrigerator in their home for only \$100. Over 2,500 low-income households have applied for this program and each week we receive about 10-15 Cool Care applications. In addition to Cool Care low-income households are inquiring about our other low-income programs we have available for our residents. Recently GWP signed an additional contract with ARCA to provide a refrigerator recycling program for all customers to recycle their secondary refrigerators.

How could the activity help other consumer owned utilities?

Through the success of the Cool Care program the Southern California Public Power Association (SCPPA) has now contracted with ARCA to provide the same program that GWP designed for its low-income customers. Now low-income customers in the cities of Burbank, Pasadena, Anaheim and Arcadia are enjoying the benefits of having a new ENERGY STAR refrigerator in their homes and reaping the energy savings. SCPPA used GWP's program model to write up the specs for prospective bidders. GWP presented the program to SCPPA and many other utilities decided to go forward with the same program due to the high success we had with ours. SCPPA also contracted ARCA to provide the same program to other municipal utility low-income customers.