Weatherization Leveraged Partnerships Project

The project offers training and assistance for all WAP subgrantees in designing private partnerships and programs that leverage their local WAP expertise.

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• The WAP Network brings value to potential partnerships
• Success – increased impact of EE services for low-income households
• Our team can help with “start up” and new challenges in existing programs
  • Resources to share
  • Connection with experienced peers
  • Trainings and webinars like this one!

The Goal is Braided Funding Streams for a Larger Program with Greater Impact

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Designing Effective Utility-Weatherization Partnerships

Keith Kueny, Energy Policy Coordinator, Community Action Partnership of Oregon

Dave Rinebolt, Program Manager of the Weatherization Assistance Program, U.S. Department of Energy
Designing Effective Utility-Weatherization Partnerships

KEITH KUENY
THE COMMUNITY ACTION PARTNERSHIP OF OREGON
Ratepayer and Utility Advocacy

- You must have a fulltime person at the state utility commission
  - Intervene in rate cases
  - Each time rates are increased is an opportunity to increase low-income resources
- Dealing with regulators: must show cost-benefit!
  - How much is too much to put into low-income wx?
  - Oregon has landed on .6% of utility revenue
Community Action Goals

- Reduce utility bills
- Provide the most benefit to clients through a package of measures
- Support a healthy home
- Have the utility pay for all costs related to service
- Be able to pay staff living wages to deliver programs
- Invest in local communities
- Stabilize affordable housing; Oregon is in the middle of a housing crisis
Thinking like a utility

- The sale of electricity generates income
  - How to increase sales?
  - How to protect current customers?
  - Or, how to increase load/customer base?
  - What will improve customer relations?
Finding the winning arguments

- **Wx creates an affordable living environment making on-time payments more likely**
- **Health and safety expenditures have a greater investment per dollar than energy savings**
- **Less risk relying on federal funds**
  - Prevents swings in trends
  - The programs need to be fully funded
  - Historically, the programs were overleveraged. It’s fair to ask the utility to pay for whole-home wx
- **Housing stock loss prevention**
  - By weatherizing a house, the utility ensures the house stays with the same heat source
Post ARRA reduction
### Road Map

<table>
<thead>
<tr>
<th>Expense Category</th>
<th>Prior (pre-2011)</th>
<th>Current</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wx cap per home</td>
<td>$5,000</td>
<td>$10,000</td>
</tr>
<tr>
<td>A &amp; I</td>
<td>0</td>
<td>$850</td>
</tr>
<tr>
<td>H &amp; S</td>
<td>$440</td>
<td>$1,000</td>
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<tr>
<td>Admin</td>
<td>$225</td>
<td>$750</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$5665</strong></td>
<td><strong>$12,600</strong></td>
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<tr>
<td>----------------</td>
<td>-----------------</td>
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<tr>
<td><strong>Total Cost</strong></td>
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<td>$919,054</td>
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<tr>
<td><strong>H &amp; S</strong></td>
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<td>$85,928</td>
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<tr>
<td><strong>Est Therms</strong></td>
<td>52,817</td>
<td>45,876</td>
</tr>
<tr>
<td><strong>Cost per Therm</strong></td>
<td>$24.04</td>
<td>$20.03</td>
</tr>
</tbody>
</table>
Outcomes

- 17% increase in completions over the last program year,
- 37% drop the number of gas homes on the waiting list.
- Projects averaged approximately $8,000 during the 2015-16 program year. Applying this figure to the anticipated 2016-17 targets will require $3.0-$4.2M.
- Collections for 2016-17 are anticipated to be $1.3M in addition to the nearly $3M account balance.
The overall goal of the OSP is to cost-effectively provide energy efficiency assistance to a greater number of low-income households in NW Natural’s Oregon service territory through a broad and diverse network of delivery channels.

The Program invites proposals that include projects for new affordable housing, existing retrofit opportunities, and owner-occupied or rental dwellings, and will encourage proposals that include a component for energy education, environmentally sustainable practices, and collaboration with other entities or programs.

Allows agencies to create Special Projects that are funded separately than the rest of the program; allows for more diverse and larger projects. The program is not tied to the same cost-effectiveness standards.

The funds are from previous years rollover.
Conservation Achievement Tariff – Cascade Natural Gas

- Cascade provides avoided cost of gas rebates through Oregon Low-income Energy Conservation Program
- To improve completions and provide whole-home wx, CAPO and Cascade created the Conservation Achievement Tariff, also known as the “social overlay.”
- Tracked separately then the avoided cost – OPUC acknowledges the increased challenges of low-income wx
Presently, there is $10,000 cap per project on work performed.

- This excludes all costs such as the measure specific rebates offered under OLIEC
- Admin, H & R, and Audit and Inspection costs are covered in the tariff
- 6 Agencies all have access to the same pot for CAT - first come, first serve
- “All costs related to the installation of the measure,” was added to the tariff so if an agency runs into an issue and needs additional money, the utility can increase the amount in the home (good for health and safety costs)
Leveraging LIHEAP

- Utilities are barred from fuel switching
  - This (Wx) program is available to income-eligible Residential Customer Class dwellings located within NW Natural’s Oregon service territory where (1) a gas Service Line is installed at the Premise; (2) the primary space heating equipment is fueled by Natural Gas, and (3) the occupant has an active account with the Company, or will have an active account
  - Community Action Agencies can fuel switch using flexible funds

- LIHEAP can be leveraged with any state utility funds

- Community Action Agencies have valuable data
  - Where low-income homes are located
  - Where oil-heated homes are located

- Note: the state ratepayer programs that are administered through a public agency, Oregon Housing and Community Services, allows for bulk fuels to be switched – since, the OPUC does not oversee those programs
Coos County – Oil to gas conversion program

- Identified an underserved region
- Gas utility had main line in certain areas of town
- Used LIHEAP rolls to find clients using bulk fuels – oil homes
- Sought additional partners that wanted good publicity
Energy Trust of Oregon
Paid the difference between 80% furnace to 95%

Gas utility
Offered $650,000 for weatherization; Paid up to $1,000/per home for main extension

Contractors
$500 rebate

Oil Providers
Buying oil from tanks and providing cash for energy assistance in return
Coos County Operations

- Mailers sent to targeted homes
- Door-to-door outreach to prospective clients
- Local cap provides income verification
- Furnace replacements done before taking wx bids
- Once the furnace is in place, the tariff allows for wx services to be provided and bids are taken for the rest of the job
- Oil is pumped out and the tank decommissioned
Future Goals

- Getting public purpose charges on all Consumer-owned utilities
- Healthy Homes & Rehab investment into every home
  - Expanding Manufactured Home Replacements
- Building solar into the Oregon-specific grants
  - Community Solar/Affordable Housing
  - Rooftop Solar
Leveraging Funds and Designing Programs to Complement WAP

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Why Leveraging?

• More demand for services than one funding source can provide.
• Ability to provide clients with more comprehensive services.
• Experiment with new and innovative technologies.
• Help meet a variety of public policy goals:
  – Mitigate the impact of utility rate increases.
  – Comply with energy efficiency resources standards.
  – Reduce housing costs for low income households.
  – Improve the health and safety of families we serve.
  – Neighborhood revitalization.
  – State Implementation Plans – air quality goals.
• Ensure equity in access to energy efficiency and renewable energy technologies.
WAP Leveraging Statutory Authority

42 USC § 6864a

Private sector investments

(a) In general The Secretary shall...provide financial assistance to entities receiving funding from the Federal Government or from a State...for the development and initial implementation of partnerships, agreements, or other arrangements with utilities, private sector interests, or other institutions, under which non-Federal financial assistance would be made available to support programs which install energy efficiency improvements in low-income housing.

(b) Use of funds Financial assistance provided under this section may be used for—

(1) the negotiation of such partnerships, agreements and other arrangements;
(2) the presentation of arguments before State or local agencies;
(3) expert advice on the development of such partnerships, agreements, and other arrangements; or
(4) other activities reasonably associated with the development and initial implementation of such arrangements.
LIHEAP Leveraging Statutory Authority

42 USC § 8624

(16) use up to 5 percent of such funds, at its option, to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance, including needs assessments, counseling, and assistance with energy vendors, and report to the Secretary concerning the impact of such activities on the number of households served, the level of direct benefits provided to those households, and the number of households that remain unserved.
Creating a Leveraging Program

- You have to have something to sell.
  - Quality, Quality, Quality.
  - Accountability.
  - Deliver the savings – that’s what utilities count.
- Work with States to set aside leveraging funds.
- Choose a lead organization.
  - State Association.
  - Set up a specialized nonprofit made up of all agencies – a parallel to the state association.
  - Choose a lead agency.
- Nuts and bolts –
  - Reporting systems.
  - Monitoring.
  - Training.
- Funding needs to be patient – it can take several years to bear fruit.
Structuring a Program Funded by Leveraged $:

- Add the Funding to WAP
  - Include funding in state plan submitted to DOE.
  - All DOE rules apply to the funding – it's just like you got a bigger grant.
- Run Funding through the State but Not through WAP
  - Use WAP Standard Work Specifications but retain flexibility on cost-effectiveness, health & safety.
- Funder Manages Program
- Run Funding through a Third-Party Administrator
New Leveraging Opportunities on the Horizon

- **Health Care**
  - National evaluation and other studies have made it clear that weatherization can be a ‘treatment’ for certain conditions: asthma; COPD; heart disease; hypertension.
  - Partners are health care funding entities and provider networks – improve patient outcomes at a lower cost.
  - Focus of activities:
    - Indoor air quality, including moisture issues.
    - Slip and fall.

- **Renewables**
  - Solar is hot, but only in certain states.
  - In 14 states solar has a potential SIR of greater than 1.
  - Significant limitations in use of WAP for solar.
  - Use WAP to make homes ‘solar ready’.
Questions?
EVALUATIONS

The Partnership Wants Your Feedback!

Please be sure to complete the evaluation for this session online, via the CAPCON17 Event App.
Thanks in Advance for your Cooperation!