Introduction to Leveraging and Managing Multiple Energy Program Funding Streams

A Discussion with the DOE Weatherization Program Manager Dave Rinebolt

Meg Power
EOS-CAP Leveraged Partnerships Project
Leveraging and Leveraged Resources

The process of acquiring resources on the basis of the value that your original resources offer the partner/investor.
Terms - 2

• Non-federal” funding =
  • Not LIHEAP & Not HUD projects
  • Can be State or Local public funds

Types include:

• Utility rate-payer funds collected on bills
  • Individual utility programs, pooled public benefit funds

• State “tax” revenues
  • Typically user fees or energy extraction fees

• Carbon emission auctions

• Property owner contributions
Many Streams to the “Weatherization Plus” Pool

From ORNL 2008 Program study
CONSISTENT FUNDING NATIONWIDE

How Much Non-Federal Money Is in the WAP System? Where?

Approximately $350 Million a year!

- Consistent Share of Utility LI Residential Programs
- Primarily
  - in Northeast, Midwest, West Coast & Texas: = +$ 280-330 M
- Alaska state oil excise tax $20 M +
- Other utility and state sources +35 M
How to Win? How to Design & Deliver What you Win? Best Practices?

Ohio – integrated Assistance through PIPP - LIHEAP, WAP and as much Utility - WAP assistance per capita as any state over time.
Weatherization Assistance Program

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:
  – State Implementation Plans – air quality goals.
  – Energy efficiency resources standards.
  – Reduce housing costs for low income households.
  – Reduce migration of low income families.
  – Neighborhood revitalization.

• Ensure equity in access to energy efficiency and renewable energy technologies.
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.
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.
  – Chose a lead agency.

• Nuts and bolts –
  – Reporting systems.
  – Monitoring.
  – Training.

• Funding needs to be patient – it will take 3 years or more to bear fruit.
How to Structure a Leveraging Program

I. Add the Funding to WAP
   I. Include funding in state plan submitted to DOE.
   II. All DOE rules apply to the funding – it’s just like you got a bigger grant.

II. Run Funding through the State but Not through WAP
   I. Use WAP Technical Standards but retain flexibility.
   II. Use completely different standards.

III. Run Funding through the Utility

IV. Run Funding through a Third-Party Administrator
New Leveraging Opportunities on the Horizon

• Health Care
  – This is not Weatherization Plus Health or Healthy Homes.
  – It is working with health care funding entities and provider networks to improve patient outcomes.
  – Focus of activities
    • Indoor air quality.
    • 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’.
EVALUATIONS

The Partnership Wants Your Feedback!

Please be sure to complete the evaluation for this session online, via the MLTC Event App, or by using the paper evaluation provided during the session.

Thanks in Advance for your Cooperation!