

# MANAGING COORDINATED ENERGY PROGRAMS

CAP Management and Leadership Training Conference | January 2019



Amy Klusmeier, WAP State Assistance Director

National Association for State Community Services Programs (NASCSPP)

# Outline

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- ▶ Overview of Leveraged Funds & State Examples - NASCSP
- ▶ Managing Multiple Funding Streams in New Hampshire
  - ▶ **Ryan Clouthier**, Deputy Director, Southern New Hampshire Services
- ▶ Designing and Managing Programs in Minnesota
  - ▶ **Laura Milbrandt**, Weatherization Housing Director, Prairie Five Community Action Council
  - ▶ **Jeff Gladis**, Housing Director, United Community Action Partnership
- ▶ Round Table Discussion

# About NASCSP

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NASCSP provides research, analysis, training and technical assistance to [State CSBG and WAP grantees](#), Community Action Agencies, and State Associations in order to increase their capacity to prevent and reduce poverty and build economic and energy security.

<https://nascsp.org/>



@NASCSP

# Leveraged Partnerships Project



Funded by the U.S. Department of Energy to offer training and assistance to WAP subgrantees and their associations in designing private partnerships and programs that leverage the WAP.

**Leveraging Your Weatherization Assistance Program: Why & How**  
"Leveraging" means offering the assets of your WAP to a funder in order to attract additional, complimentary resources.

**THE VALUE OF THE WAP NETWORK**

- A skilled workforce with high-impact equipment
- An evidence-based whole-house approach
- Transparent finances and accountability

Quantified energy or carbon savings they can claim

Relationships and a good reputation with hard-oversight customers

**IMPACT OF SUCCESSFUL LEVERAGING**

- Increase the impact of energy efficiency services on low-income households in your community
- With partners and investors, you can offer more measures in each home, and provide comprehensive services to more homes
- You have created partnerships that can lead to investments in future projects
- You may be able to offer expanded measures beyond the WAP framework

Leveraging Basics



Winning Leveraged Dollars



Designing Leveraged Programs

<https://communityactionpartnership.com/energy-partnerships/>

# WAP Mission

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Congress



Department of Energy



Grantees (States, Territories & Tribes)



Local Providers (Sub-grantees)



Low Income Households

## Mission Statement of the Weatherization Assistance Program (WAP)

“To reduce energy costs for low-income families, particularly for the elderly, people with disabilities, and children, by improving the energy efficiency of their homes while ensuring their health and safety.”

### ➤ 40+ Years of Success

- Operating since 1976
- Over 900 local agencies, All 50 states, DC, territories
- Over 7.4 million homes weatherized

# WEATHERIZATION | WHAT WE DO

## MECHANICAL MEASURES

- Clean, tune, repair, or replace heating and/or cooling systems.
- Install duct and heating pipe insulation.
- Repair leaks in heating/cooling ducts.
- Install programmable thermostats.
- Repair/replace water heaters.
- Install water heater tank insulation.
- Insulate water heating pipes.

## BUILDING SHELL MEASURES

- Install insulation where needed.
- Perform air sealing.
- Repair/replace windows/doors.
- Install window film, awnings and solar screens.
- Repair minor roof and wall leaks prior to attic or wall insulation.

## HEALTH & SAFETY MEASURES

- Perform heating system safety testing.
- Perform combustion appliance safety testing.
- Repair/replace vent systems to ensure combustion gas draft safely outside.
- Install mechanical ventilation to ensure adequate indoor air quality.
- Install smoke and carbon monoxide alarms when needed.
- Evaluate mold/moisture hazards.
- Perform incidental safety repairs when needed.



## ELECTRIC & WATER MEASURES

- Install efficient light sources.
- Install low-flow showerheads.
- Replace inefficient refrigerators with energy-efficient models.

## CLIENT EDUCATION ACTIVITIES

- Educate on potential household hazards such as carbon monoxide, mold & moisture, fire, indoor air pollutants, lead paint and radon.
- Demonstrate the key functions of any new mechanical equipment or appliances.
- Discuss the benefits of using energy-efficient products.

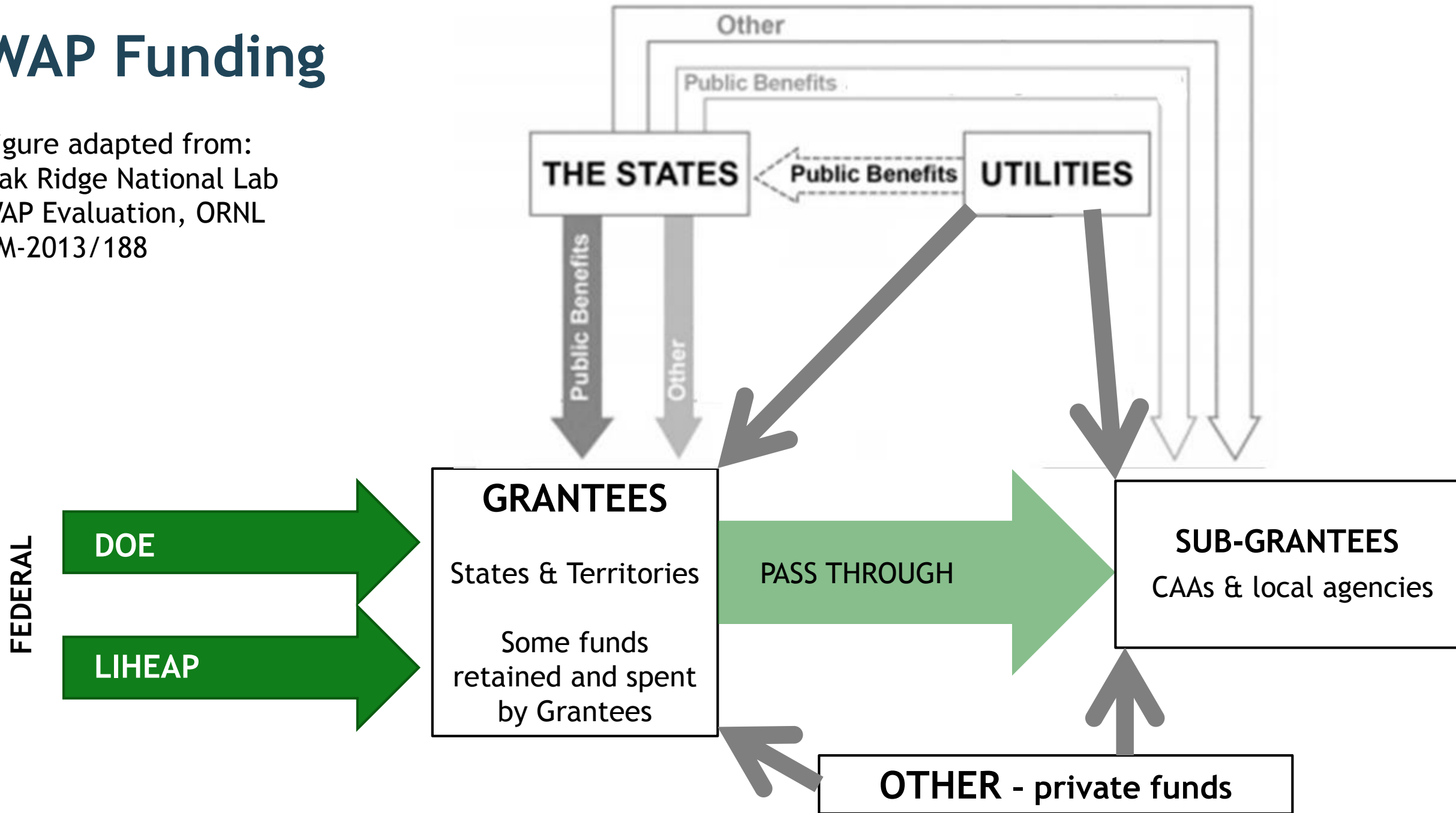
# Leveraging is \_\_\_\_\_

*offering the assets of your WAP to a funder in order to attract additional, complementary resources.*

- ▶ **Trained and skilled workforce**
- ▶ **Whole-house energy retrofit**
- ▶ **Quality assurance**
- ▶ **Quantifiable savings**
- ▶ **Accountability**
- ▶ **Established administrative processes**
- ▶ **Relationships and reputation**

# WAP Funding

Figure adapted from:  
Oak Ridge National Lab  
WAP Evaluation, ORNL  
TM-2013/188



# How much has been leveraged?

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- ▶ Funding Survey from State WAP Offices
- ▶ Trends in DOE, LIHEAP & “Other” Funds
- ▶ Leveraging report from Sub-grantee & State Association Interviews
- ▶ Leveraged funds coordinated with WAP

***First joint funding report published in February 2018***

# Leveraged Funds in Report

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## Utility Ratepayer Funds

- ▶ Public Benefit Fund
- ▶ Merger or settlement (one-time)

## State Taxpayer Funds

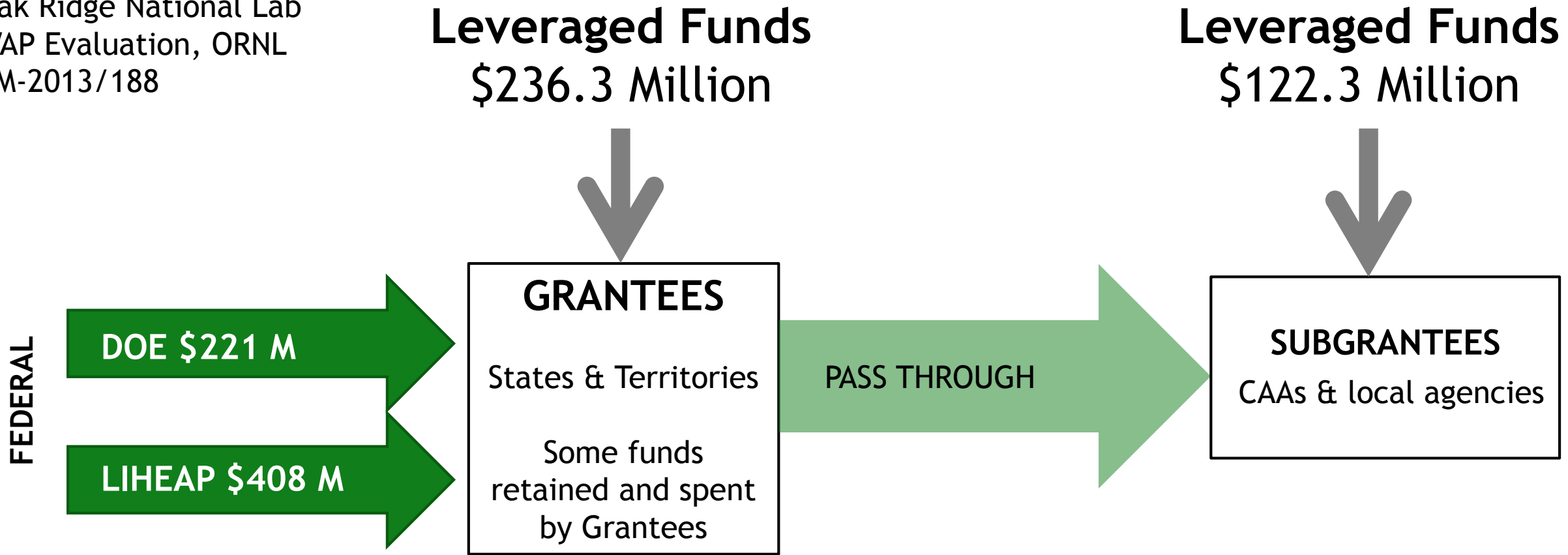
- ▶ Fees/taxes in state revenue

## Private Funds

- ▶ Foundations and charities
- ▶ Hospitals or health insurance companies
- ▶ Other

# WAP Funding PY 2016

Figure adapted from:  
Oak Ridge National Lab  
WAP Evaluation, ORNL  
TM-2013/188

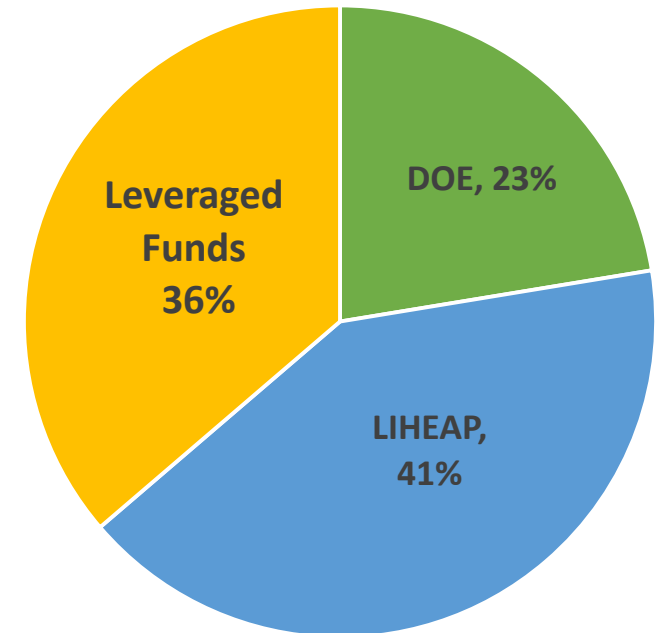


# WAP Funding PY 2016

## \$358.6 MILLION IN NON-FEDERAL FUNDS LEVERAGED IN 2016

*\$1.62 in non-federal leveraged funds for every \$1 DOE*

	DOE	LIHEAP	Leveraged	Total
Dollars (in millions)	\$221.5	\$408.3	\$358.6	\$988.4
Percent of total	23%	41%	36%	
Number of Grantees	59	48	39	



# Why leverage and coordinate programs?

*What is the benefit for...*

<b>Weatherization Programs</b>	<b>Utilities and Funders</b>	<b>Customers</b>
<ul style="list-style-type: none"><li>• Serve more households</li><li>• Additional measures</li><li>• Innovation</li><li>• Support larger workforce</li></ul>	<ul style="list-style-type: none"><li>• Quality Work Plan</li><li>• Network Capacity</li><li>• Reduce administrative barriers</li><li>• Quantify savings</li></ul>	<ul style="list-style-type: none"><li>• Comprehensive services</li><li>• Local CAAs and providers</li><li>• “One-stop-shop”</li></ul>

# Coordinated Program Goals

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- ▶ Serve More Homes
- ▶ Provide Additional Services
- ▶ Make Homes Weatherization Ready
- ▶ Innovation
  - ▶ Healthy Homes/Weatherization Plus Health
  - ▶ Renewables
- ▶ Other?

# Activity #1

- ▶ Peer Exchange Handout

# State Examples - Program Structures

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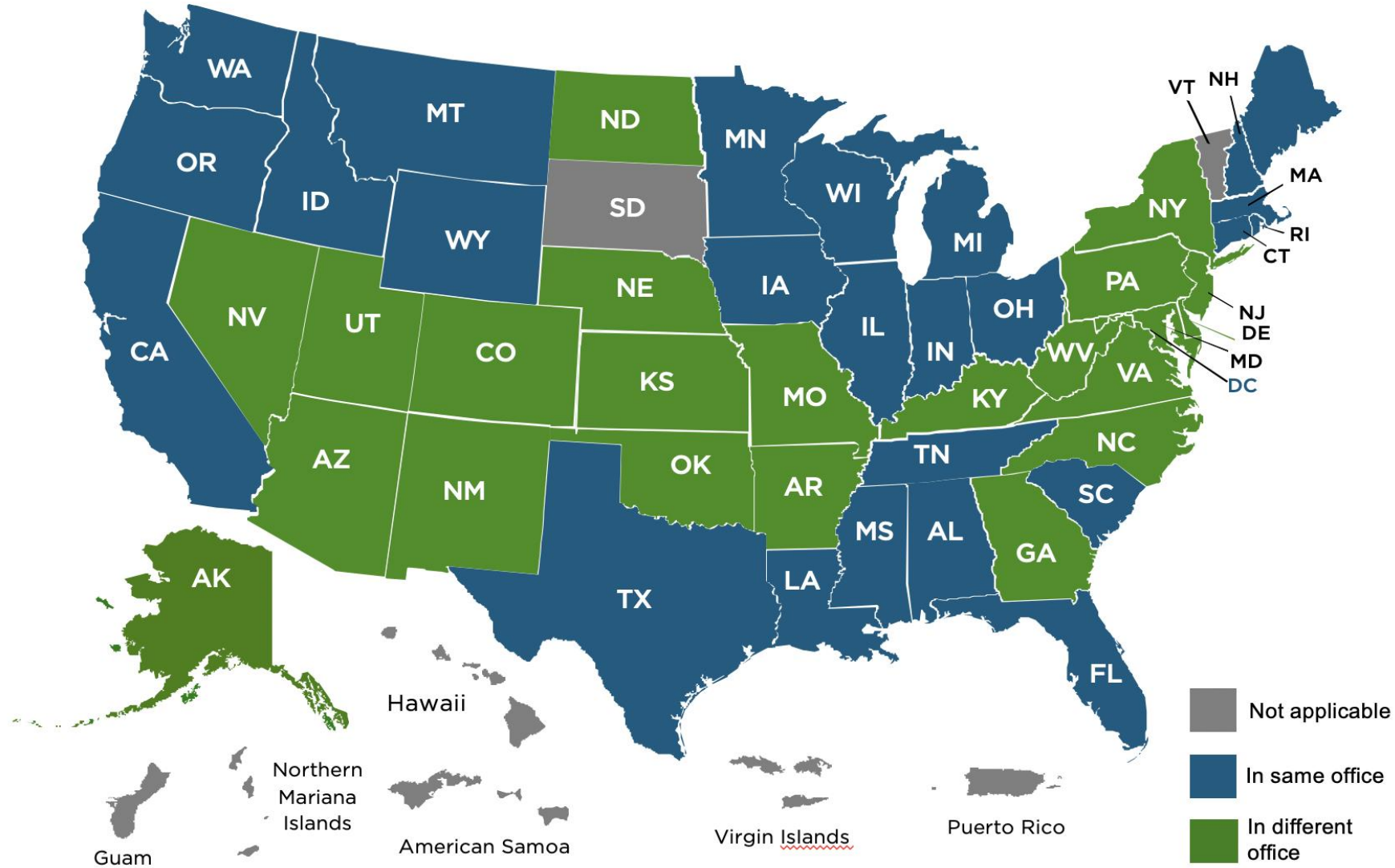
## Utility Management

- ▶ Third-Party Administrator

## State Management

- ▶ Annual Plan Options
  - ▶ DOE - Develop budget to maximize flexibility
  - ▶ DOE - Use a portion of DOE funds to support leveraging activities
  - ▶ LIHEAP - “Mostly DOE” or “Mostly LIHEAP” rules

# 2016 LIHEAP & WAP Offices



# Blending Funds

*Combining DOE funds with LIHEAP and leveraged funds*

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



# Washington and Wisconsin - Summary

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## Similarities

- ▶ Leveraged funds flow through state office
- ▶ DOE funds braided with leveraged funds
- ▶ One reporting system for all funds

## Differences

- ▶ State legislation
- ▶ LIHEAP Plans
- ▶ Program goals & leveraging strategies
- ▶ Lead agencies

# Washington

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BONNEVILLE  
POWER ADMINISTRATION

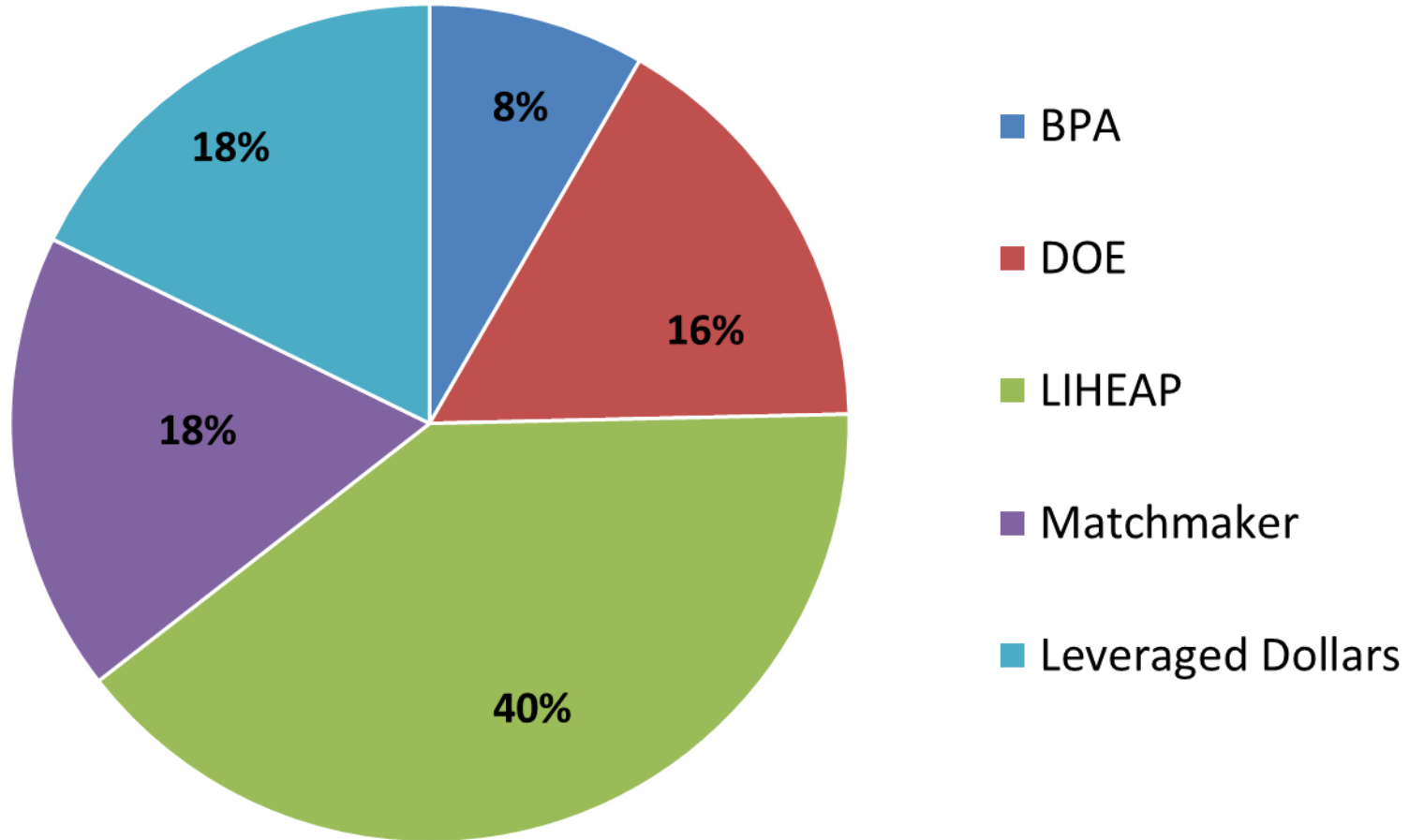


**Department of Commerce**

**28 Local WAP Providers**

# Washington Budget FY 2016

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# Fund Matrix

What will each fund source pay for?

Recommended Measure Funding Priorities			
This matrix provides guidance for recommended payment by Weatherization Program measure type. The funding sources are shown from highest priority at the top to lowest at the bottom. Use local discretion as funding sources and leveraging opportunities allow.			
Priority	WxM	H&S	WRR
1.	Utility	MM	MM
2.	DOE	HHS	HHS
3.	BPA	BPA	BPA
4.	HHS	Utility	Utility
5.	MM	DOE	DOE

Activities/ Measures	Fund Source	Allowable Expense?	Specifics/Limitations/Allowances	Include cost in SIR? (Individual measure & total package)
Air Sealing Policy 5.3.1	DOE	Yes		Yes
	HHS	Yes		No-11/1/18 - 6/30/19
	BPA	Yes	Electric heat and BPA service territory only	Yes
	MM	Yes		No-11/1/18 - 6/30/19
Appliances Refrigerator Replacement (see below)	DOE	No		
	HHS	No		
	BPA	Yes	Clothes Washer Replacement, and Microwave Ovens New or Replacement. May include non-electrically heated, low-income homes in BPA service territory.	No
	MM	Yes	For Tier 1, health and safety only. Allowed for Tier 2.	No
Health & Safety Measures ** Must be energy-related Policy Chapter 9	DOE	Yes	Up to 14.7 % of program budget allowed.	No
	HHS	Yes	Up to 25 % of program budget allowed.	No
	BPA	Yes	Up to 30 % of program budget allowed. Electric heat and BPA service territory only.	No
	MM	Yes	Up to \$10,000 Total IMC limit for each unit, for Tier 1. Up to \$25,000 for Tier 2. For rentals refer to Section 5.8.2	No

# Washington Strategies

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## LIHEAP Flexibility

- ▶ Repairs exempt from Savings-to-Investment calculation
- ▶ The package of services proposed for each home must be cost effective
- ▶ DOE and LIHEAP income eligibility limits
- ▶ Additional Measures
  - ▶ Weatherization Plus Health
  - ▶ Renewable Energy

# Washington Strategies

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## Utility Funds

- ▶ BPA funds target electrically-heated homes
  - ▶ Additional measures - microwaves, clothes washers
  - ▶ No restrictions on dwelling age or frequency of services
- ▶ Weatherization-related health and safety and repairs
- ▶ Matchmaker program provides a total allowance for installed measures

## Additional State Allocation

- ▶ [Weatherization Plus Health](#)

# Wisconsin

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## DOE

- ▶ Foundation for program policy
- ▶ Leverages state utility dollars

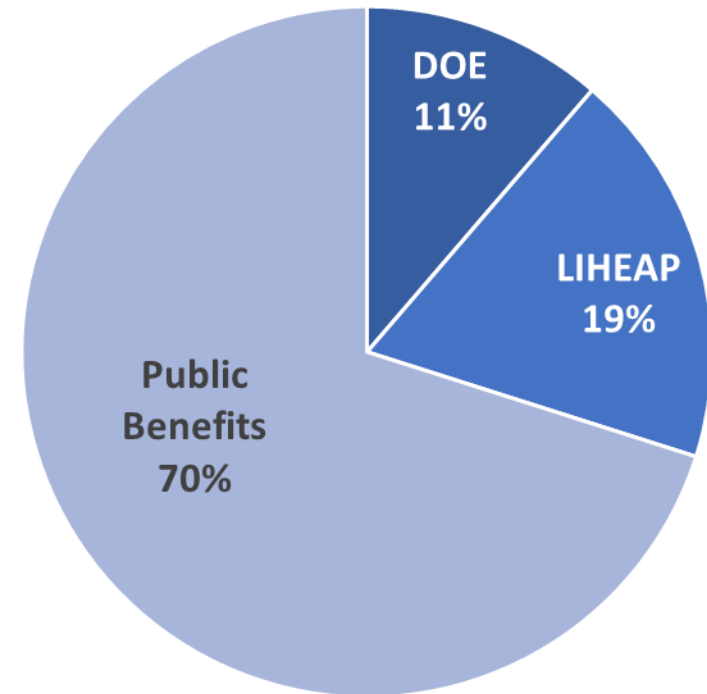
## LIHEAP

- ▶ Mostly follows DOE rules
- ▶ LIHEAP and WAP in same office

## Utility Public Benefits

- ▶ [Annual Report](#)

State Fiscal Year 2018 Allocations  
\$58.5 Million Total



# Wisconsin - Blending Funds Process

**March – April**

## Contract Planning Workbook

Tool used by subgrantees to submit budget request for upcoming fiscal year.

FIXED AMOUNTS			
Total Allocation:	\$3,951,665	Liability Insurance:	\$39,002
T&TA Allocation:	\$64,151	Financial Audit:	\$35,000
Program Allocation:	\$3,887,514	BASELOAD:	\$118,000
Project 1:	\$0	Baseload Units	60
Project 2:	\$0		
Total with Special Projects:	\$3,887,514		
Budget Lines			
Admin.:	\$377,895	9.7%	Must be between 0 - 10%
Program Support:	\$955,045	39.4%	Must be between 15 - 45%
Health & Safety:	\$749,519	10.1%	Must be between 12 - 20%
Operations:	\$1,613,053		
SUM	\$3,695,512	Prog. Alloc. - Liab. Ins. - Fin. Audit - Baseload	

= Entry required
= Auto-calculated
= Hybrid

May – June  
State splits  
fund line  
items for  
contract

Contract Line Item Amount		
Fund	Line Item	Line Item Amount
<u>DOE</u>	Administration	\$27,934.00
<u>EAP</u>	Administration	\$77,256.00
<u>Public Benefits</u>	Administration	\$272,705.00
<u>DOE</u>	Operations	\$229,052.00
<u>EAP</u>	Operations	\$358,437.00
<u>Public Benefits</u>	Operations	\$1,025,564.00
<u>DOE</u>	Liability Insurance	\$2,835.00
<u>EAP</u>	Liability Insurance	\$9,674.00
<u>Public Benefits</u>	Liability Insurance	\$26,493.00
<u>DOE</u>	Financial Audit	\$7,251.00
<u>EAP</u>	Financial Audit	\$6,046.00
<u>Public Benefits</u>	Financial Audit	\$21,703.00
<u>DOE</u>	Health & Safety	\$27,085.00
<u>EAP</u>	Health & Safety	\$140,890.00
<u>Public Benefits</u>	Health & Safety	\$581,544.00
<u>DOE</u>	TTA	\$34,278.00
<u>Public Benefits</u>	TTA	\$29,873.00

### Appendix D WisWAP Reporting Guide

# Reporting Guide

What will each fund source pay for?

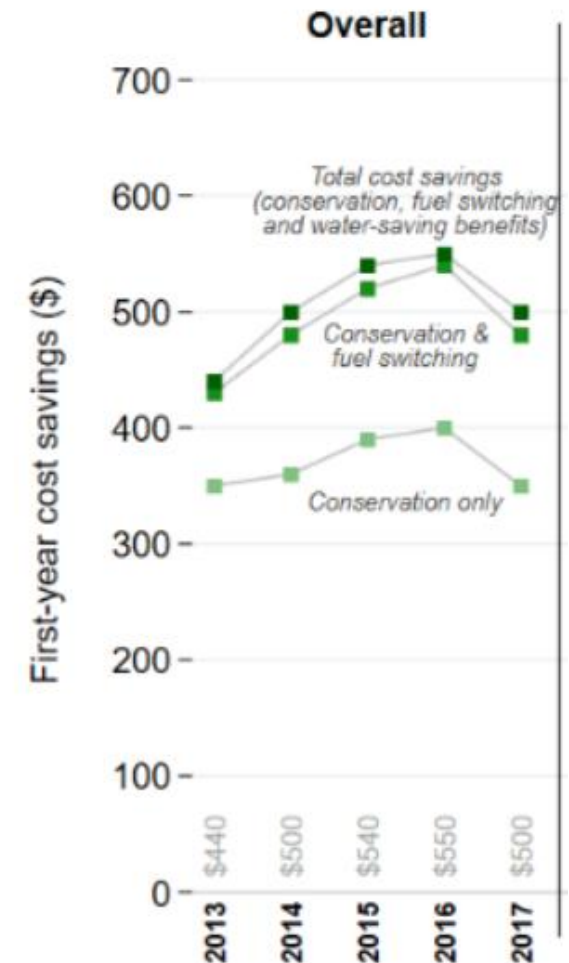
Code	Name	Measure Detail	Reporting Tips	Allowable Funds
<b>ENERGY CONSERVATION MEASURES (ECMs)</b>				
<b>PCFL Lighting</b>				
PCFL005	CFL Bulb	Replacement of incandescent bulb with a compact fluorescent lamp.	Report the number of bulbs installed and total cost. WisWAP will calculate the cost per bulb. All bulbs regardless of style can be reported in one measure.	DOE, EAP, PB
PCFL010	Halogen Torchiere Replacement	Replacement of a halogen torchiere with a compact fluorescent floor lamp.	Report the number of lamps installed and total cost.	EAP, PB
PCFL015	LED Exit Light	Replacement or installation of an LED Exit Light in a multi-family building.	Report the number of lamps installed and total cost.	EAP, PB
PCFL030	Fixture Replacement	Replacement of existing incandescent lighting fixture with a light emitting diode fixture. LED fixtures <b>shall only</b> be installed if participating in a Division approved pilot project.	Report the number of fixtures installed and total cost.	PB

# Wisconsin Goals

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- ▶ Comply with state and federal guidance
- ▶ Maximize Savings to Investment ratio
- ▶ Ave. annual cost savings to customer \$400 or greater
- ▶ Minimize deferral rates

Average first-year cost savings per home (1-4 unit buildings)



Source: Assessment of Energy and Cost Savings for Homes Treated under Wisconsin's Home Energy Plus Weatherization Program 2018 <http://homeenergyplus.wi.gov/docview.asp?docid=28720&locid=25>

# Wisconsin Strategies

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- ▶ Simplify program administration
  - ▶ Single eligibility criteria
  - ▶ Streamlined application process
  - ▶ Coordinated outreach & marketing
  - ▶ Data sharing
  - ▶ System-enforce rules when possible

# Wisconsin Strategies

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Leveraged funds provide:

- ▶ Additional Measures
- ▶ Reworks
- ▶ Equipment and Vehicle Purchasing and Leasing
- ▶ Training and Technical Assistance
- ▶ Pilot Programs and New Measure Research
- ▶ Special Subgrantee Projects

# Wisconsin Strategies

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Leveraged funds support:

- ▶ **Complementary Programs**
  - ▶ Baseload Program
  - ▶ Home Energy Plus Furnace Program
    - ▶ Emergency Services, Health and Safety Referrals
- ▶ **Program Evaluation**
  - ▶ Audit quality assurance analysis
  - ▶ Savings evaluations
  - ▶ Additional reports/analysis as needed

# State Examples - Lessons Learned

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## Design and manage programs for maximum flexibility

- ▶ Do not include leveraged funds in DOE state plan
- ▶ Use some DOE funds to pay for leveraging assistance with utilities
- ▶ Maximize flexibility for local providers to do what is right for their communities

## Collaborate to establish goals and performance measures

- ▶ Lead agency needed to coordinate stakeholders and develop/build relationships
- ▶ Engage stakeholders and subgrantees early and often in the DOE annual plan process

# State Examples - Lessons Learned

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## Ensure capacity to meet goals

- ▶ Administration, Health and Safety, Training and Technical Assistance
  - ▶ Planning, evaluation, purchase of equipment

## Quality assurance

- ▶ Monitoring to make certain funds are spend in accordance with rules
- ▶ Clear guidance for allowable costs
- ▶ Invoicing system
  - ▶ Segregate and track fund types
  - ▶ Allow for switching funds / corrections
  - ▶ Robust reporting to enable analysis and evaluation

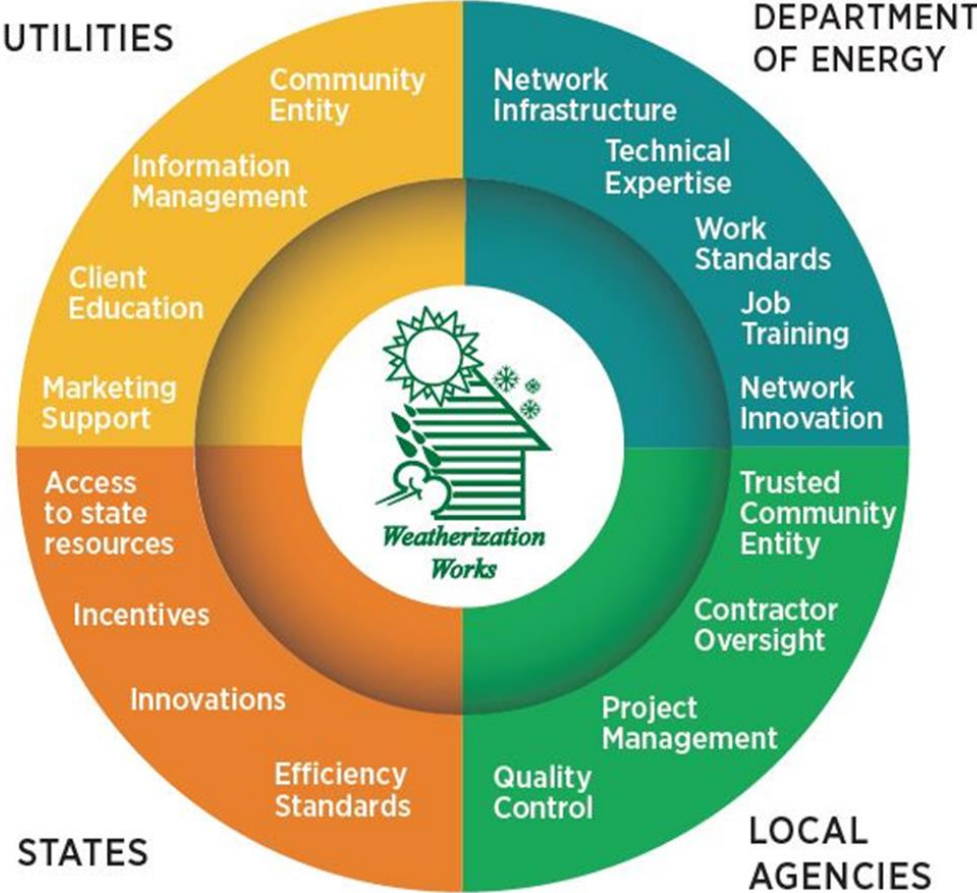
# State Examples - Lessons Learned

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## Data management and sharing

- ▶ MOU or Agreement with Utility
  - ▶ Pre-weatherization
    - ▶ Targeting services to high-priority households
    - ▶ Savings-to-investment calculation
  - ▶ Post-weatherization
    - ▶ Evaluation of actual savings
- ▶ Track your deferral reasons
- ▶ Report all completions, savings and leveraged funds to each funder

# Managing coordinated energy programs to increase impact



# Resources

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## Department of Commerce

<https://www.commerce.wa.gov/growing-the-economy/energy/weatherization-and-energy-efficiency/>



<http://homeenergyplus.wi.gov/>

# Resources

CAP Weatherization Leveraged Partnership Project

<https://communityactionpartnership.com/energy-partnerships/>

Meg Power, President and Executive Director  
Economic Opportunity Studies (EOS)

<http://www.opportunitystudies.org/>

NASCSP Annual Funding Reports

<https://nascsp.org/wap/weatherization-publications/>

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# Resources

DOE Weatherization Program Guidance

*Search “Leveraging” and sign up for notifications*

<https://www.energy.gov/eere/wipo/weatherization-program-guidance>

DOE Resource Summary: Leveraging WAP Funds for Greater Impact

<https://www.energy.gov/sites/prod/files/2018/08/f54/WAP-leveraging-factsheet-final.pdf>

LIHEAP Clearinghouse - Coordinating LIHEAP and WAP (July 2016)

[https://liheapch.acf.hhs.gov/sites/default/files/webfiles/docs/LIHEAP\\_Weatherization\\_Report.pdf](https://liheapch.acf.hhs.gov/sites/default/files/webfiles/docs/LIHEAP_Weatherization_Report.pdf)



## National Safe and Healthy Housing Coalition

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### Upcoming Webinar: The Intersection Between Energy and Health

The National Safe and Healthy Housing Coalition is hosting a webinar on the intersection of energy efficiency and health outcomes on **January 22, 2019, from 1-2 p.m. Eastern**. The conversation will include both an introduction to the connection between energy and health and dispatches from ongoing projects and case studies, so we encourage anyone with interest or experience in this topic to attend!

10:20



## Session Evaluations



We want to hear from you! Please take a moment to complete a brief evaluation for each session you attended. Each evaluation will take no more than 2 to 5 minutes.

**Your opinion is very important to us! Please take a moment to evaluate this workshop in the 2019 CAP MLTC mobile event app.**

**Thank you!**